



**University  
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**EVALUATION OF EMPLOYABILITY PIPELINES ACROSS SCOTLAND:  
FINAL REPORT**

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## CONTENTS

	Page No.
1. Introduction	1
2. Review of Existing Evidence on Employability Pipelines	4
3. Analysis of Employability Pipeline Design and Delivery	11
4. Analysis of Employability Pipeline Outcomes and Added Value	22
5. Key Lessons from Case Study Pipelines	32
6.Views of Wider Stakeholders	39
7. Key Findings, Lessons and Recommendations	43
Appendix 1: Overview of Pipeline Models	50

## 1. INTRODUCTION

### Background

The development of employability pipelines in a small number of local partnerships goes back around a decade and was given increased momentum by the publication in 2006 of *Workforce Plus*, Scotland's Employability Framework. A strong emphasis in *Workforce Plus* was placed on those further from the labour market, many of whom would require a range of services and supports to bring them through into sustainable employment. There was also a growing interest at that time in improving the connectedness between employability services on the one hand and a range of other service areas (such as health, money advice, literacy and numeracy skills, etc.) which could tackle impediments to employment. The pipeline concept was introduced to provide a structured approach to the organisation and delivery of services to unemployed people in Scotland, particularly the long term unemployed with a greater distance to travel towards a sustainable job.

The advantages of the pipeline approach were seen to include the following.

- Much greater clarity around planning the services needed by a diverse group of clients, including those with multiple disadvantages. Local employability partnerships could use the pipelines to test that the range of relevant services was in place.
- It allowed a more rational consideration of resourcing the different service areas to be developed and delivered. This has allowed the Scottish Government, and key agencies such as Skills Development Scotland, to plan its resourcing of employability in a more consistent fashion.
- Before the introduction of pipelines it was rare to find a locality which was able to set out in a single page the resources being deployed through various agencies and funders to tackle unemployment in their locality. This more organised approach facilitated strategic discussions around whether resources were allocated appropriately to different services.
- The pipeline with its various stages has helped frame thinking about the more effective ways to commission, procure and deliver employability services – including serious thought to whether and which organisations are best placed to deliver at various stages of the pipeline, as well as how best to handle the transition of clients between stages.
- With appropriate management information systems the pipeline can form the basis for ongoing monitoring of progression for specific groups of clients, identifying potential blockages in movement between service delivery organisations.
- Again with appropriate management information systems and with good follow up procedures the pipeline could form the basis for an analysis for what works best for whom in terms of packages of employability service delivery – and which delivery organisations offer the greatest value for money, broadly defined.

### Brief

Employability pipelines have become an accepted feature of the landscape across Scotland for nearly 10 years now. This makes it a good time to review their contribution to Scotland's employability effort. In broad terms, this evaluation has been commissioned to develop:

- An understanding of the key lessons learnt to date from the pipeline approach, best practice approaches and the scope for improving future models.
- Guidance for those LEPs still developing pipelines, as well as areas with mature pipelines, on the best ways forward.

The Brief set out in detail a number of key questions that the evaluation should address.

- *“Is the model better than the previous landscape, i.e. of funding lots of separate, discrete projects?”*

- *To what extent does collaboration actually take place, and does this model strengthen relationships? This will include the role of the third sector, and their view of the pipeline? Is it easy to get involved – are there unnecessary hurdles?*
- *Can a range of common definitions and understanding of the needs, characteristics and outcomes related to client engagement and progression in the pipeline be adopted across different pipelines?*
- *Whilst one size does not fit all, can some common assessment tools and employability competences/factors at each stage of the pipeline be agreed, which would be helpful in designing future provision at each stage of the pipeline?*
- *Does a true pipeline model achieve better outcomes?*
- *Does the pipeline achieve better value for money? In house versus procurement – is there any evidence that Pipelines delivered in house offer a better service or not, and does procurement offer best value?*
- *Given that Scottish Government, Local Authorities and other funding sources are likely to invest significant sums of funding across Scotland into pipelines in the future, what lessons can be learned from the last 5 years?*
- *What should the ideal pipeline look like, what activities should be funded?*
- *Do pipelines effectively support person centred effectiveness of employability interventions for job seeking individuals? Is that journey as effective and non-duplicative as it can be?*
- *Who should be targeted? Are participants aware that they are part of the Pipeline? What are their views?*
- *In times of financial constraints, it is recognised that we need to adopt a more collaborative approach across services to analysing performance based on greater transparency and common criteria. Does the pipeline model encourage this?"*

In some cases, it has not proved possible to provide a conclusive answer to these questions. For example, a lack of robust monitoring data has inhibited the evaluation's ability to comment on whether the pipeline approach delivers better outcomes or better value-for-money.

## Research Methods

The evaluation has involved four main strands:

- A **desk-based review of the existing policy and evaluation literature** on the employability pipeline approach, with a particular focus on identifying the rationale for adopting the pipeline approach, why the pipeline approach is thought to raise the effectiveness of employability effort and the evaluation evidence on the extent to which it has delivered more effective employability returns on investment.
- A **survey of all 32 local employability partnership (LEP) areas** to capture details of their approach to employability, including mapping the structure, resources and target groups of their pipelines and identifying the value added they bring to tackling worklessness. LEPs sit within the Community Planning Framework<sup>1</sup> and are responsible for overseeing the strategic development of employability services within their geographic area. The survey has involved two stages – an initial e-survey to capture basic data on how their pipelines are organised, followed by a telephone

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<sup>1</sup> Community Planning is a process which helps public agencies to work together with the community to plan and deliver better services which make a real difference to people's lives. The Local Government in Scotland Act 2003 sets out the statutory framework for Community Planning. The Act places duties on

- Local authorities to initiate, facilitate and maintain Community Planning.
- Other public sector partners including NHS, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development, Police Scotland and Regional Transport Partnerships to participate in Community Planning.

Community Planning is delivered by local Community Planning Partnerships (CPPs). There are 32 CPPs, one in each local authority area.

interview to discuss in more detail the reasons for their approach and the impact it is having on achieving their objectives.

- ***In-depth reviews of 5 employability pipelines.*** The case study areas were selected as they represent a range of different economic circumstances and pipeline structures and had the potential to bring forward lessons that can be learnt more generally for the pipeline approach.
- ***Interviews with key funders*** including the Scottish Government's European Funding Team, Skills Development Scotland (SDS), Department for Work and Pensions (DWP) and the Big Lottery), a selection of ***third sector organisations*** that play a major role in employability throughout Scotland (Barnardo's, Capability Scotland, Princes Trust Scotland and The Lennox Partnership) ***and Scottish Government's Fair Work Directorate*** (which oversees employability policy).

## Structure of Report

The report is organised as follows:

- Chapter 2 reviews the existing evidence on the rationale for adopting the pipeline approach and the contribution the pipeline approach is making to improving Scotland's employability efforts.
- Chapter 3 provides an analysis of the design of and delivery mechanisms used in employability pipelines across Scotland.
- Chapter 4 examines the outcomes and added value that can be learnt from the experiences of LEPs using the employability pipeline approach.
- Chapter 5 presents an overview of the pipelines in the case study LEPs including the lessons that can be learnt from their experiences.
- Chapter 6 presents the views of wider stakeholders including funders and the third sector on the pipeline approach.
- Chapter 7 sets out the key findings, lessons and recommendations from the study.

## 2. REVIEW OF EXISTING EVIDENCE ON EMPLOYABILITY PIPELINES

### Introduction

The need to ensure greater alignment and connection of employability services to increase their effectiveness has been recognised since the publication of *Workforce Plus*<sup>2</sup> in 2006. This proposed that strategic skills pipelines should underpin employability delivery: “*local pipelines are essential to deliver appropriate services at a local level*”. The refreshed employability framework, *Working for Growth* (2012)<sup>3</sup>, restated the importance of the pipeline approach.

### A More Strategic Approach

A number of drivers for the employability pipeline approach can be identified. The first of these is an increasing focus on the development of **a more strategic approach** to employability at local authority levels. The development of the ESF 2007-2013 programme is a clear example of this where the funding aimed to support a more strategic approach with less focus on funding lots of small projects. This often meant the developing a 5 stage pipeline focused on linking needs and opportunities at a local level<sup>4</sup>. The outcome of this was an increase in strategic approaches: “*for some Community Planning Partnerships (CPPs) this allowed them to build on their existing strategic employability partnership; for others it was the impetus to develop a strategic approach for the first time*”<sup>5</sup>.

Local pipelines can be used to facilitate the development of a strategy to address local employability needs as they can inform the strategy by indicating what services are available, where are there gaps or duplications and which agencies should commission or deliver services<sup>6</sup>.

### MIS to Support a Strategic Approach

*Working for Growth* highlights the need for partnerships to proactively support data sharing as improving their strategic approaches to this can make a critical contribution to planning, commissioning, targeting services and evaluating which ones are working well or not. Hall Aitken’s undertook an evaluation of CPP management information systems (MIS) in 2013<sup>7</sup> examining the systems used in 16 areas. The research found that:

- Only 13% of MIS systems were developed in-house.
- Only 27% of systems are maintained primarily in-house.
- All systems had been adapted since they were first introduced.
- 87% were able to institute further changes to their system if they needed to.
- Just over half reported that all pipeline partners (53%) use the MIS.
- Using the MIS is a condition of funding in only two-thirds of areas.
- 80% use their MIS to monitor and/or manage the performance of partners.

The report found there were variations in the extent to which systems facilitate the use of the employability pipeline. This is due to issues with some systems which mean that they do not work well to support pipeline delivery. The characteristics of systems which facilitate the pipeline approach are:

<sup>2</sup> Scottish Government (2006). *Workforce Plus, The Employability Strategy*.

<sup>3</sup> Scottish Government (2012). *Working For Growth: A Refresh of the Employability Framework for Scotland*.

<sup>4</sup> Blake Stevenson (2010). *European Structural Funds Programmes in Scotland Evaluation of the European Structural Funds’ contribution to Community Planning Partnerships*.

<sup>5</sup> Hall Aitken (2013). *Review of CPP Management Information Systems Final Report*.

<sup>6</sup> Scottish Government (2012). *Working For Growth: A Refresh of the Employability Framework for Scotland*.

<sup>7</sup> Hall Aitken (2013). *Review of CPP Management Information Systems Final Report*.

- Robust caseload management systems need to be in place that include how initial enquiries are recorded and single registration and assessment processes.
- The MIS must allow tracking of clients along the pipeline to facilitate an increased understanding of client need and to enable better partnership working. This depends on regular data entry to report on progress.
- Basic reporting must be possible at both organisational and partnership levels. This allows organisations to measure progress towards their own targets and partnerships to see how each partner is contributing to the overall targets.

Other characteristics found by both the Hall Aitken report and other research include:

- All partners must use the system. Some funders make this a condition of funding. However, research in one local authority found that even if all organisations use the same MIS there can be variations in how acceptable organisations find it and in the extent to which is used fully<sup>8</sup>.
- The system must enable multi-organisational data entry and sharing data across all partners – reducing competition and making referral easier. Data sharing protocols can be developed to make the basis for data sharing clear and consistent. Issues around data sharing must be addressed. All partners must define data in the same terms and there cannot be variations in the quality of data capture<sup>9</sup>.
- Effective systems tend to follow on from existing good collaboration. On its own, a monitoring or management information system cannot foster a strategic approach (or collaboration) but it can support its development. The converse of this is that local research has shown that if there is no shared MIS in place this can inhibit referral and smooth client progression<sup>10</sup>.

The Hall Aitken report recommended that management information systems must be able to:

- Record initial enquiries.
- Facilitate single registration and assessment.
- Be supported by clear data sharing protocols.
- Be updated regularly.
- Allow system referrals.
- Enable partners to monitor their performance and progress against targets.
- Measure distance travelled.
- Support day-to-day client management.
- Upload documents (such as CVs or certificates).
- Record drop-outs.
- Match clients with relevant jobs.
- Ensure eligibility checks are undertaken at the initial registration stage.
- Verify outcomes.
- Include self-auditing tools.
- Generate ESF claims.

Combined these will help ensure that MIS manage collaboration, deliver the employability pipeline and ensure compliance. Hall Aitken set out 3 options for achieving more effective MIS for the ESF 2014-2020 Operational Programme:

- Integrating existing MIS systems into an overarching system. This would allow multiple systems to continue to operate but by setting out clear parameters there would be much greater compatibility of systems.

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<sup>8</sup> Bailey, P., and Davison, C. (2013). *Working for Fife: A Survey of Third Sector Employability Services in Fife*.

<sup>9</sup> Cambridge Policy Consultants (2015). *Review of the Allocation of Employability Resources in Scotland Final Report*.

<sup>10</sup> Firth E. (2014). *Orkney CPP Employability Strategic Group Enhanced Employability Pipeline Report on Current Provision*.



- 'Picking a winner' and implementing this system across all areas.
- Developing a 'Eurosyst Lite' option to allow CPPs to input their ESF data into a common system whilst allowing them to continue to operate their own systems.

Overall, they felt that integrating existing MIS systems was the best option.

Cambridge Policy Consultants also made a number of recommendations as part of their review of the allocation of employability resources in Scotland<sup>11</sup>, reflecting the significant challenges they had experienced in achieving information on a comparable basis from across pipelines and partners. They also recommended establishing a shared performance management system for employability services in Scotland that:

- Is as comprehensive as possible – to capture all partners information and enable economies of scale.
- Captures data on the investment made in individual clients, the support each client has received at each stage in the pipeline and the outcomes achieved including both the quality (income) and sustainability of job outcomes.
- Captures outcomes over different timescales (short and long term).
- Provides clarity about what information needs to be captured and is consistent in ensuring this is collected.
- Provides clarity about how data will be shared.
- Reflects the learning that emerges from the National What Works Centres.

In addition, it recommends that the shared performance management system is underpinned by a programme of shared research into the net additional impacts and benefits of different types of employability service.

### Partnership Working

Another driver is the acceptance that **partnership working** is needed to develop effective employability strategies. Partnership approaches deliver a number of benefits including<sup>12</sup>:

- Better use of resources and greater likelihood of developing flexible, responsive policy solutions.
- Facilitating innovation.
- Sharing knowledge, expertise and resources.
- More coherent services.
- Improving efficiency and accountability.
- Building capacity within all of the agencies involved.
- Increasing legitimacy and 'buy-in' at a local level.

To achieve good partnership working it is important to have<sup>13</sup>:

- Shared goals that everyone is working towards.
- Some way of measuring progress towards joint goals.
- Sufficient resources.
- Leadership.

Strategic pipelines can provide a focus for partnership working. Stronger employability strategies can be developed from approaches that engage partners in detailed planning that establishes local need, identifies local priorities, maps local services, identifies service gaps,

<sup>11</sup> Cambridge Policy Consultants (2015). *Review of the Allocation of Employability Resources in Scotland Final Report*.

<sup>12</sup> Idox (2013). *Information Service Evidence Briefing: Improving Employment and Skills in Scotland...What Do We Know?*

<sup>13</sup> National Audit Office (2001). *Joining up to Improve Public Services*.



and assesses the relative strengths and weaknesses of providers. Good practice in developing a strategic approach to employability includes<sup>14</sup>:

- Having a good strategic and operational employability partnership in place.
- A dedicated programme manager.
- Local authority and/or CPP staff with knowledge of employability and with enough seniority to ensure action and compliance.
- Assessment of existing services and ability to identify strengths, weaknesses and gaps.
- Development of realistic targets based on evidence of need and labour market analysis.
- Rigorous data collection to allow robust assessment of quality and progress.

It is important to note that the benefits of the pipeline approach can be compromised by a short term approach to funding which inhibits the development of partnership working or collaborative approaches<sup>15</sup>.

### Improving Outcomes

Another driver is **evidence about 'what works'** in employability highlighting what needs to be in place to address employability challenges **at a local level**. Pipeline approaches can facilitate all of these factors coming together thereby improving outcomes at a local level.

A recent study by Cambridge Policy Consultants<sup>16</sup> looked at expenditure in employability pipelines in Scotland, using two measures of employability:

- A 'broad' definition included all Modern Apprenticeship and Further Education delivery.
- A 'narrow' definition excluded funding closer to workforce development support.

They estimated that total investment in employability in Scotland in 2013-14 was £660 million using the broad definition and £533 million for the narrow definition – although they note that these figures are likely to be an underestimate as it was not possible to secure information on all elements of pipeline delivery.

In terms of target groups, they found that:

- The majority of expenditure is investment in the 16-19 age group – with this group receiving around half of all resources despite accounting for just under a quarter of the unemployed.
- Around a quarter of expenditure was on the 20-24 age group. This group accounted for just under 20% of the unemployed.
- Around a quarter of the expenditure was targeted at those aged 25 and over despite this group accounting for around 60% of the unemployed group.

The research found that the majority of funding is spent on Stage 3 (Vocational Activity). This accounted for 45% of the spending under the broad definition and 55% under the narrow. Stage 1 had the smallest investment with 3% on the broad definition and 14% on the narrow. In terms of what worked at each stage of the pipeline, the key findings were as follows.

- **Stage 1: Referral and Engagement.** Organisations must be effective at reaching out to clients to engage them in employability activity. Effective approaches include:
  - Offering opportunities, activities and services that are attractive.

<sup>14</sup> Blake Stevenson (2010). *European Structural Funds Programmes in Scotland Evaluation of the European Structural Funds' Contribution to Community Planning Partnerships*.

<sup>15</sup> Bailey, P., and Davison, C. (2013). *Working for Fife: A Survey of Third Sector Employability Services in Fife*.

<sup>16</sup> Cambridge Policy Consultants (2015). *Review of the Allocation of Employability Resources in Scotland Final Report*.

- Working with other organisations (including mainstream ones that work with people distant from the labour market and provide a means of reaching them.
- Appropriate targeting.
- Flexible and friendly and seen as distant from statutory services.
- **Stage 2: Needs Assessment.** This stage requires effective ways of assessing needs or barriers and allocating clients to the most appropriate provision to address these needs. A range of approaches can be used from applying eligibility rules for certain types of provision to caseworkers deciding or screening and profiling.
  - The most effective approaches are able to identify barriers accurately. However it is important that the assessments are not used to 'cream' easier to assist clients.
- **Stage 3: Vocational Activity.** There are a number of different aspects of vocational activity that have been evaluated.
  - Job search activity usually has a positive impact on employment particularly if support is personalised, in-depth and delivered soon after a person becomes unemployed.
  - There are mixed results around the benefits of short term training but it tends to have a greater impact on people who are more distant from the labour market.
  - Training programmes with longer durations can have low short-term impacts but greater long-term impacts on employment and earnings.
  - The effects of training programmes can be increased by combining them with other kinds of support such as job search and ensuring people obtain qualifications that are recognised by the market.
- **Stage 4: Employer Engagement and Job Matching.** Support here can include employer incentives to hire the unemployed in the form of wage subsidies and recruitment incentives.
  - Again, the evidence here is mixed. It is important that the subsidies have low deadweight costs and that substitution and displacement effects are minimised.
- **Stage 5: In-Work Support.** A range of approaches can be used to support people once they move into work including job coaching and investing in further training such as helping people access Modern Apprenticeships providing this training would not go ahead without public support.
  - Supported employment and job coaching work well for particular types of clients, particularly people with health issues and disabilities.
  - More value is gained from apprenticeships if they are offered to younger people and are in key sectors or at a higher level.

More generally, delivering effective local approaches requires<sup>17</sup>:

- Recognition that government, training providers and employers all have a role to play.
- Targeting resources at those most in need.
- Processes to identify an individual's needs and deliver personalised interventions.
- Support and training which is work focused.
- Engagement of employers and trade unions.
- Effective partnerships with flexible delivery.

In general, the pipeline approach is thought to improve additionality because there is less duplication of services, resources are used more effectively, gaps are identified and addressed, the scale can be increased, and the capacity of providers can be increased<sup>18</sup>.

<sup>17</sup> Idox (2013). *Information Service Evidence Briefing: Improving Employment and Skills in Scotland...What Do We Know?*

<sup>18</sup> Blake Stevenson (2010). *European Structural Funds Programmes in Scotland Evaluation of the European Structural Funds' Contribution to Community Planning Partnerships.*

## Enhancing the Client-centred Approach

The importance of a **client centred approach** is a driver for the development of pipelines as they can facilitate the delivery of client-centred provision: “*Client centeredness means that any client presenting can be offered tailored support regardless of their barriers*”<sup>19</sup>. If provision is delivered through a pipeline approach there is the possibility of referral to the most appropriate service for that client.

A number of evaluations<sup>20, 21</sup> have found that the role of employability pipelines in delivering EU structural funds has enabled structured and integrated services. This is better for the client – allowing easier access to services at the point that they need them and smoother transition between services. Work at a local level suggests that organisations do not specialise at a specific stage and can cover a number of stages<sup>22</sup> and most organisations want to work with clients across the stages rather than be seen as being experts at working at particular stages.<sup>23</sup>

There is some evidence that the pipeline approach has improved outcomes for individuals although this is based on delivery partners’ views about the extent to which they have. Some of the reasons for this put forward include that people with more support needs have better access to person-centred services that meet their needs, enhanced collaboration across services with a focus on outcomes and more clients being appropriately assisted<sup>24</sup>.

However, it is important to note that “*services are strongest when the front line workers have a clear understanding of their respective roles and are thus able to wrap services around client*”<sup>25</sup>. If local providers do not have a clear understanding of different partners’ services then this can inhibit referral<sup>26</sup>. Therefore it is essential that there are some kinds of mechanisms to help organisations keep up with local service provision or developments as local organisations can find it difficult to keep up with this<sup>27</sup>.

### Key Messages

1. The employability pipeline approach has enabled local partnerships to adopt a **more strategic approach** to delivering employability by giving them a framework to identify local needs and opportunities and ensuring the services are in place to address these.
2. A strong monitoring or **management information system** is critical to adopting a strategic approach – but putting in place an effective system has proved challenging to many partnerships. Two major reports published in the last 2 years have recommended the development of a shared MIS.

<sup>19</sup> Hall Aitken (2013). *Review of CPP Management Information Systems Final Report*.

<sup>20</sup> Fraser Associates (2013). *Evaluation of the Strategic Delivery Mechanisms of the European Structural Funds Programmes 2007-13 in Scotland Final Report*

<sup>21</sup> Blake Stevenson (2010). *European Structural Funds Programmes in Scotland Evaluation of the European Structural Funds’ contribution to Community Planning Partnerships*.

<sup>22</sup> Bailey, P., and Davison, C. (2013). *Working for Fife: A Survey of Third Sector Employability Services in Fife*.

<sup>23</sup> Hall Aitken (2013). *Review of CPP Management Information Systems Final Report*.

<sup>24</sup> Blake Stevenson (2010). *European Structural Funds Programmes in Scotland Evaluation of the European Structural Funds’ Contribution to Community Planning Partnerships*.

<sup>25</sup> Scottish Government (2012). *Working For Growth. A Refresh of the Employability Framework for Scotland*.

<sup>26</sup> Firth E. (2014). *Orkney CPP Employability Strategic Group Enhanced Employability Pipeline Report on Current Provision*.

<sup>27</sup> Bailey, P., and Davison, C. (2013). *Working for Fife: A Survey of Third Sector Employability Services in Fife*.

3. There is increasing recognition that **partnership working** is key to effective employability provision and the employability pipeline approach can provide a focus of partnership working at the local level.
4. Employability pipelines can also provide a focus for **improving outcomes**. Whilst they do this in a number of ways, a key mechanism is by providing a forum for partners to explore what works well for whom and for sharing information and good practice.
5. Perhaps most importantly, the employability pipeline approach encourages partners to take a **client-centred approach** by encouraging partners to focus on the client journey.

### 3. ANALYSIS OF EMPLOYABILITY PIPELINE DESIGN AND DELIVERY

#### Introduction

All 32 local employability partnerships (LEPs) completed an e-survey to capture details of the structure and make-up of their pipeline, the resources allocated to the pipeline, target groups and eligibility criteria, outcomes achieved and assessment of the impact and added value of the pipeline. Each LEP then took part in a follow-up interview which captured more detailed information on the rationale for adopting the pipeline approach, the systems and processes in place to develop and deliver the pipeline and the key lessons that could be learnt from their experience. This chapter summarises the key evidence from the e-survey and follow-up interviews on the design of employability pipelines and how they are delivered. The outcomes and added value of the employability pipelines, alongside a discussion of the key lessons that can be learnt from pipeline delivery are set out in the next chapter.

#### Use of Pipeline Approach

28 out of 32 LEPs use the employability pipeline approach. Angus, East Dunbartonshire, East Lothian and South Ayrshire do not currently use a pipeline approach to organise their employability services. Details on employability provision in these 4 areas – and how their approach compares to areas that use the pipeline – is given at the end of the chapter.

LEPs adopted the pipeline approach at various points between 1999 and 2014.

- 8 adopted the pipeline approach in 2008. This reflects the publication of the Scottish Government's employability framework *Workforce Plus* in 2006, which included provision for the establishment of local Workforce Plus partnerships to tackle worklessness in the 7 local authority areas with the highest unemployment rates.
- 6 adopted the pipeline approach in 2011, with a further 5 adopting it in 2012. Whilst this reflects in part the rolling-out of the pipeline approach following the success of the pilot areas, the key driver for adoption of the pipeline at this stage was the introduction of Strategic Skills Pipeline as the mechanism for allocating ESF 2007-2013 Priority 5 funds.

LEPs were asked in the follow-up interviews what the rationale was for adopting the pipeline approach. The main reasons given included:

- To facilitate more effective partnership working – with the pipeline providing a framework to organise employability services.
- To make better use of resources – with the pipeline allowing them to identify the gaps and overlaps in their employability provision.
- To align their approach with national employability policy.
- To access funding – including funding associated with the local Workforce Plus pilots, ESF 2007-2013 Priority 5 funds and, more recently, ESF 2014-2020.

#### Structure of Pipeline

All except one LEP uses the 5-stage pipeline, namely:

- **Stage 1:** Referral and engagement.
- **Stage 2:** Barrier removal.
- **Stage 3:** Vocational activity.
- **Stage 4:** Employer engagement and job matching.
- **Stage 5:** In-work support and aftercare.

The LEP that does not currently use the 5-stage pipeline is currently in process of transitioning from their existing 8-stage to the 5-stage model. Some LEPs indicated in their follow-up interview that their model had evolved over time – with local pipelines increasingly being aligned with the 'standard' model in terms of the number of stages (5) and the

definitions of these stages. However, a small number of LEPs flagged up that there are essentially 3 slightly different pipeline models set out in:

- Employability in Scotland website.
- The Operational Programme for ESF 2014-2020 programme.
- The Skills Development Scotland Employability Fund rules.

An overview of the 3 pipelines is provided in Appendix 1. The main variations relate to Stage 4 with the focus of the Employability in Scotland pipeline being on employer engagement activities and job matching, whilst both ESF and the Employability Fund include some training activities here and ESF including some activities that would be normally considered to be in-work support. In addition, the Employability Fund only covers Stages 2 to 4. Whilst the variations are not substantial, the LEPs that highlighted this discrepancy felt that it and the differences in language used across the different pipelines created confusion about how they should structure their approach.

The main interventions contained in each stage are highlighted in Figure 1 below. Services that appear under more than one stage are highlighted in red.

- A wide range of interventions are provided at each stage. However, the range of services provided is much more limited in each local area.
- There is a variation in where many interventions are located – with, for example, job brokerage is allocated by different pipelines to Stages 3, 4 and 5. This suggests there is some confusion about which interventions should be allocated to each stage – and the one-to-one interviews with LEPs would seem to confirm this. This is disappointing given that the Better Alignment of Scotland's Employability Services (BASES) process agreed which services should be allocated to each stage.
- Some interventions are allocated to more than one stage as they reflect a cross-cutting function (e.g. case management) or because they incorporate a range of different activities (e.g. Employability Fund).

**Figure 1: Employability Interventions Available by Pipeline Stage**

Stage	Services
<b>Stage 1: Referral and engagement</b>	<ul style="list-style-type: none"> <li>• Action planning</li> <li>• Activity Agreements</li> <li>• Assessment</li> <li>• Case management</li> <li>• Confidence building</li> <li>• Drug and alcohol support</li> <li>• Early intervention (e.g. with young parents, homeless, etc.)</li> <li>• Engagement and outreach activities</li> <li>• Financial inclusion</li> <li>• Information, advice and guidance</li> <li>• Personal and social development activities</li> <li>• Single point of contact</li> <li>• Support groups and networks</li> <li>• Volunteering</li> </ul>
<b>Stage 2: Barrier removal</b>	<ul style="list-style-type: none"> <li>• Access to FE programmes</li> <li>• Action planning</li> <li>• Activity Agreements</li> <li>• Case management</li> <li>• Condition management</li> <li>• Confidence building</li> <li>• Core skills development</li> <li>• Digital/IT skills</li> <li>• Employability Fund</li> <li>• ESOL</li> <li>• Flexible funding for barrier removal</li> </ul>

Stage	Services
	<ul style="list-style-type: none"> <li>• Financial inclusion</li> <li>• Health improvement</li> <li>• Housing support</li> <li>• Information, advice and guidance</li> <li>• Job clubs</li> <li>• Life skills</li> <li>• Literacy/numeracy</li> <li>• Mental health projects</li> <li>• Peer mentoring</li> <li>• Signposting</li> <li>• Stress management</li> <li>• Support to address alcohol/substance misuse</li> <li>• Support with childcare (advice/funding)</li> <li>• Supported employment</li> <li>• Training</li> <li>• Volunteering</li> <li>• Work placements</li> </ul>
<b>Stage 3: Vocational activity</b>	<ul style="list-style-type: none"> <li>• Better off calculations</li> <li>• Career planning</li> <li>• Case management</li> <li>• Community benefits/Public social partnerships</li> <li>• Core skills development</li> <li>• CVs/application forms</li> <li>• Digital/IT skills (including ECDL)</li> <li>• Employability Fund</li> <li>• ESOL</li> <li>• Flexible funding for barrier removal</li> <li>• ILM activities</li> <li>• Interview skills/mock interviews</li> <li>• Job brokerage</li> <li>• Job clubs</li> <li>• Job search</li> <li>• Job tasters</li> <li>• Local labour market information</li> <li>• Modern Apprenticeships</li> <li>• Occupational health support</li> <li>• Pre-employment training</li> <li>• Qualifications/certification</li> <li>• Sectoral academies</li> <li>• Start-up support</li> <li>• Vocational training (linked to identified employer needs)</li> <li>• Volunteering</li> <li>• Work placements</li> <li>• Workforce development programmes</li> </ul>
<b>Stage 4: Employer engagement and job matching</b>	<ul style="list-style-type: none"> <li>• Better off calculations</li> <li>• Career management</li> <li>• Case management</li> <li>• Community Jobs Scotland</li> <li>• CVs/applications</li> <li>• Employability Fund</li> <li>• Employer engagement</li> <li>• Employer recruitment incentives</li> <li>• Flexible funding for barrier removal</li> <li>• Interview skills/mock interviews</li> <li>• In-work mentoring to sustain and progress in employment</li> <li>• Job brokerage</li> <li>• Job matching</li> <li>• Job search</li> </ul>



Stage	Services
	<ul style="list-style-type: none"> <li>• Job trials</li> <li>• Mentoring</li> <li>• Modern Apprenticeships</li> <li>• Operate recruitment centres for major developments</li> <li>• Qualifications/certification</li> <li>• Recruitment services for employers</li> <li>• Sectoral academies</li> <li>• Start-up support</li> <li>• Supported employment</li> <li>• Targeted pathways</li> <li>• Training</li> <li>• Vocational training (linked to identified employer needs)</li> <li>• Work Choice</li> <li>• Work placements</li> <li>• YES Fund</li> <li>• Volunteering</li> <li>• Wage subsidies</li> <li>• Work coach</li> <li>• Workforce development programmes</li> </ul>
Stage 5: In-work support and aftercare	<ul style="list-style-type: none"> <li>• Aftercare</li> <li>• Aftercare (employer)</li> <li>• Assessment</li> <li>• Case management</li> <li>• Community Jobs Scotland</li> <li>• Employer recruitment incentives</li> <li>• ESOL</li> <li>• Financial inclusion</li> <li>• ILM activities</li> <li>• Information, advice and guidance</li> <li>• In-work training/development</li> <li>• Job brokerage</li> <li>• Literacy/numeracy</li> <li>• Mentoring</li> <li>• Modern Apprenticeships</li> <li>• Our Skillsforce</li> <li>• Sectoral academies</li> <li>• Start-up support</li> <li>• Support with childcare (advice/funding)</li> <li>• Vocational training (linked to identified employer needs)</li> <li>• Workforce development programmes</li> <li>• YES Fund</li> </ul>

Source: TERU e-survey of LEPs

21 LEPs also have other mainstream services integrated into their pipeline approach.

- The most common mainstream service included in the pipelines are:
  - **Education** – with 12 LEPs highlighting that some mainstream education provision is included within their pipeline. This includes Community Learning and Development (CLD), Senior Phase, Opportunities for All and More Choices, More Chances provision.
  - **Health (including mental health)** – again included in 12 pipelines. This includes both NHS services and those provided by local authorities.
- Other mainstream services included in some pipelines included money advice, welfare rights, social work (including services for looked after young people and disabled people) and housing support services.

## Partnership and Strategic Planning

In relation to the **partners involved in the design and management** of pipeline:

- All 28 LEPs involve the local authority in the design and management of their pipeline.
- 26 involve DWP Jobcentre Plus.
- 24 involve SDS.
- 20 involve one or more local college(s).
- 19 involve the local Third Sector Interface.
- 14 involve NHS.
- 5 involve local employers.
- 4 involve arms length organisations (e.g. Jobs and Business Glasgow).
- 5 involve other partners (such as a local university, Chamber of Commerce or third sector organisations).

Strategic planning of the pipeline generally happens through the LEP – although in some areas the local authority takes the lead role in planning and managing the pipeline. Where this is the case, this often reflects:

- The investment the local authority is making in employability services (either alone or as ESF match).
- The scope that the local authority has to be flexible in the employability services they deliver.
- The ability or willingness of other partners to play a lead role in the pipeline. In some cases, this reflects a feeling that the LEP or pipeline is ‘the council’s thing’, whilst in others it reflects a lack of capacity to contribute.

It should be noted here that the vast majority of LEP consultees were from local authorities. At one level, this reinforces the key role many play in their local LEPs and pipelines – but care must be taken as if consultees had been drawn from a broader range of LEP partners, a different set of perspectives may have emerged here.

LEPs use a range of evidence in planning their pipeline provision including:

- Mapping of provision. At the most basic level, this helps the LEP understand what services are available, although many go beyond this and use their mapping to identify gaps and overlaps in provision.
- Examination of policies and funding streams to ensure the pipeline aligns with current national and local priorities.
- Examination of national statistics (e.g. claimant count, school leaver destinations) that give insights into the scale and composition of the client groups. One point to note here is that few LEPs explicitly mentioned used the Data Hub – despite significant resources being invested in developing this resource.
- Monitoring data on current provision. The systems in place to monitor delivery and outcomes are discussed in more detail in Chapter 4.
- Local intelligence – for example on redundancies, inward investments, etc.

Many LEPs review their provision on an ongoing basis – whilst others have developed a strategy or action plan that is revised less regularly (for example, every 3 years or in response to changing policy or funding environment).

## Pipeline Delivery

In relation to the **delivery** of the pipeline services:

- The local authority is involved in delivery in all 28 pipelines.
- 25 involve at least one third sector organisation (with 19 involving more than one third sector organisations and 10 involving more than 5).
- 22 involve one or more local college(s).
- 18 involve SDS.
- 16 involve DWP Jobcentre Plus.

- 15 involve private training providers.
- 9 involve NHS.
- 7 involve arms length organisations (e.g. Jobs and Business Glasgow).
- 9 involve others.

In relation to the **third sector organisations involved in delivery**, the most commonly involved were:

- Princes Trust Scotland (who were involved in delivery in 12 pipelines).
- Enable Scotland (11).
- Barnardo's (9)
- Apex Scotland (8).
- Momentum Scotland (6).
- Workers Education Association (6).
- Rathbone Training (5).
- Impact Arts (4).
- Street League (4).
- The Lennox Partnership (4).
- The Wise Group (4).

### Pipeline Resources

18 LEPs were able to provide estimate **resources** committed to pipeline delivery. These were measured in financial terms (£). There was significant variation in the data LEPs were able to provide. The most common were:

- Data relating to ESF funds plus match dedicated to the pipeline.
- Data relating to the resources committed to (or managed by) the local authority.
- Data that reflected all pipeline delivery. Whilst many pipelines had attempted to estimate the value of all pipeline services (as part of their pipeline development process or for previous studies), few had been able to establish a robust figure. In particular, many found it difficult to establish costs for mainstream services that are incorporated into the pipeline (e.g. SDS and DWP frontline staff, CLD and welfare rights services provided by local authorities, etc.).

In 2014/15, the resources committed to employability pipelines ranged from £500,000 to £10 million.

- 4 had resources of under a £1 million.
- 1 had resources of between £1 million and £1.99 million.
- 5 had resources of between £2 million and £2.99 million.
- 6 had resources of between £3 million and £4.99 million.
- 2 had resources of over £5 million.

During the follow-up interviews, many LEPs highlighted that the resources committed to pipeline delivery in 2014/15 were below that in earlier years due to the delay in the allocation of ESF 2014-2020 funds. The main **funders** of pipelines were:

- Local authorities, which fund 56% of pipeline delivery on average (median). However, care should be taken here as in some cases the LEP was only able to provide the local authority contribution to the pipeline – and therefore this figure is likely to be an overestimate. Looking at the data in more detail, there is significant variation in the contribution of local authorities, with this ranging from 20% to 83%.
- ESF funds 30% of pipeline delivery on average (median). Again, this varies from between 0% and 43%. All except one of LEPs that was able to provide details on the breakdown of its funders had received ESF funds.
- Employability Fund funds 18% of pipeline delivery on average (median). The proportion varied from between 0% and 75%. There is Employability Fund provision in all 32 LEP areas – but not all LEPs have identified the Employability Fund as a source of funding – either because they do not see it as part of their pipeline or

because they have only been able to provide data on the financial contribution of the local authority or ESF plus match resources to the pipeline.

- 7 received funding from the Big Lottery. In 5 cases, this accounted for 10% or less of funding available for the pipeline.
- 7 received funding from other sources – including colleges, third sector partners, Scottish Government and trusts and foundations.
- 25 LEPs reported that their pipeline also received in-kind support – most commonly administrative support (mentioned by 18 LEPs), a pipeline manager (15) and IT support (12). By far the most common source of this in-kind support is the local authority, although SDS, DWP, colleges, NHS and Third Sector Interfaces all provide in-kind support in a small number of pipelines.

15 anticipated that the proportion of funding they would receive from different funders would change in 2015/16. In particular, a large number flagged up that the allocation of ESF 2014-2020 resources would alter their funding mix.

- Some LEPs highlighted in their follow-up interviews that the gap between the end of ESF 2007-2013 funds and the allocation of ESF 2014-2020 funds had meant they had had to scale back delivery in 2014/15 and that ESF accounted for a smaller proportion of funding in 2014/15 than was normally the case.
- Some LEPs that had not received ESF 2007-2013 funding highlighted that they had been allocated ESF 2014-2020 resources.

Other issues that were highlighted by LEPs as affecting the future funding mix were continuing downward pressure on public sector budgets and having secured new sources of funding for 2015/16 (for example, from Big Lottery).

Looking at the allocation of resources across different **pipeline stage**, this varied significantly across LEPs with:

- Stage 1 (referral/engagement) accounting for between 5% and 40% of pipeline resources. The median value was 10% – and the mean was 15%.
- Stage 2 (barrier removal) accounting for between 10% and 74% of pipeline resources. The median value was 23% – and the mean was 28%.
- Stage 3 (vocational activity) accounting for between 3% and 60% of pipeline resources. The median value was 28% – and the mean was 40%.
- Stage 4 (employer engagement and job matching) accounting for between 3% and 55% of pipeline resources. The median value was 22% – and the mean was 31%.
- Stage 5 (in-work/aftercare) accounting for between 3% and 33% of pipeline resources. The median value was 10% – and the mean was 26%.

Overall, this suggests that the **bulk of resources are dedicated to Stages 2-4** although there is significant variation across partnerships.

13 plan changes to allocation of resources across stages in 2015/16. Whilst the plans varied across LEPs, a few key trends emerged including:

- 7 planned to increase the allocation of resources to Stages 1 and/or 2. Within this, the key driver appeared to be the ESF 2014-2020 client eligibility criteria, with this encouraging LEPs to focus more on those further from the labour market.
- 6 planned to increase the allocation of resources to Stage 5. A key reasons for this appear to be the need to improve the sustainability of outcomes and to support wider policy objectives in relation to reducing poverty and inequality.

In relation to the **delivery of pipeline**:

- Public sector (including local authority, SDS, DWP Jobcentre Plus and NHS) delivery accounted for between 5% to 94% of pipeline resources, with the average (median) being 60%.
- College delivery accounted for between 0% and 30% of resources, with the average (median) being 10%.

- Third sector delivery accounted for between 1% and 100%, with the average (median) being 28%.
- Private sector delivery accounted for between 0% and 50%, with the average (median) being 10%.

10 areas plan changes to allocation across different types of delivery organisations in 2015/16, with the main changes being identified as increases in third and (to a lesser degree) public sector delivery (i.e. delivery by local authorities, SDS, DWP Jobcentre Plus and NHS).

The follow-up interviews allowed the approaches taken to **sourcing pipeline provision** to be examined in more depth.

- Most LEPs use a combination of methods to source pipeline provision – for example, a mix of in-house provision by the LEP partners and procurement or commissioning.
- In smaller or more remote areas, in-house delivery by LEP partners is common and generally accounts for the majority of provision. This reflects:
  - The lack of alternative providers.
  - Insufficient resources to justify taking a procurement/commissioning approach.
- The main rationales given for the approaches taken to sourcing pipeline provision were that they:
  - Build on the historic approaches taken in local area.
  - Reflect the different resources, skills, expertise and capabilities of different partners or sectors within their local area.
  - Feel offers greatest value for money.
- As well as providing value-for-money, many of those that made use of procurement felt it has clear advantages in terms of ensuring compliance (which is particularly important in relation to ESF funding). A number of LEPs have established procurement frameworks. These were seen as providing a mix of value-for-money and flexibility – as the framework allows the LEP to put out calls for services in response to identified needs.

In many cases, the adoption of the pipeline had not led to a change in way in which provision is sourced.

- Where adoption of pipeline had led to different approach, LEPs tended to feel that approach taken under pipeline was more effective than the previous approach. In most cases, this involved more procurement and/or commissioning (although in a small number of cases involved bringing delivery in-house). The key reasons for the improvement in effectiveness were the new approach:
  - Allowed them to be more strategic in what they funded.
  - Was easier to monitor and manage.
- Going forward, some LEPs felt that they may amend how they sourced provision in response to the roll-out of ESF 2014-2020. In addition, some highlighted that they were finding it difficult to plan for the future given the lack of clarity on ESF 2014-2020 costing mechanism.

### Target Groups and Eligibility Criteria

Figure 2 shows the main groups that LEPs target through their pipeline approach.

- The most common target groups are young people aged 20-24 and disabled people – both targeted in 18 pipelines.
- Other common target groups are young people aged 19 and under and the long-term unemployed.
- All of those that target young people aged 19 and under also target those aged 20-24.

- Whilst females account for approximately a third of all claiming JSA, only 8 LEPs explicitly target this group.
- 6 target other groups including care leavers, lone parents, workless households and ex-offenders.

A number of LEPs flagged up in their follow-up interview that specific employability services within their pipeline may also have their own target groups.

**Figure 2: Target Groups**

Target Group	No.	%
Aged 20-24	18	64
Disabled people	18	64
Aged 19 and under	17	61
Long-term unemployed (12 months and over)	16	57
Females	8	29
Others	6	21

Source: TERU e-survey of LEPs

In addition, most LEPs also have eligibility criteria for some or all services. The most common include:

- Eligibility on the basis of age – with many pipeline services being targeted at young people.
- Eligibility on the basis of benefits claiming – with some services only being open to those claiming (for example) Jobseekers Allowance. In contrast, many explicitly flagged up that they do not support individuals whilst they are on the Work Programme.
- Eligibility on basis of characteristics (e.g. skill levels, care leavers, ex-offenders, etc.). In particular, some LEPs have specific services within their pipeline targeted at disabled people and/or those with mental health problems. A small number of LEPs flagged up that had begun to use the ESF 2014-2020 eligibility criteria – which includes having 2 or more barriers to employment.

LEPs were asked about what support services they provide for individuals with additional support needs within their pipeline.

- All except one provide support for individuals with additional support needs.
- Key services included key workers to help identify needs and help them access services, coaching and mentoring, support with literacy and numeracy, supported employment and help finding work placements.
- A number of LEPs flagged up that they used specialist providers, with third sector organisations playing a key role in delivering support for individuals with additional support needs in a number of areas.
- A number of LEPs also flagged up that mainstream social work services are integrated in their LEP or strong links exist between the pipeline and social work to help ensure support is in place for this client group.
- One LEP highlighted that they had services for specific groups within this – for example, services for individuals with autism.

### Tools Developed

LEPs were also asked about what **tools** they had developed to help **deliver their pipeline**.

- The most common were a directory of services and a referral proforma – both developed by 18 LEPs.

- Other common tools were for initial assessment (developed by 15 LEPs), and to measure progress and distance travelled (11).
- 7 have developed other tools including development of websites and portals for use by staff and/or clients, standard documents such as job verification forms or exit interview proformas and marketing materials. Falkirk has developed a competence-based approach using the SCQF Framework to support the assessment of client skills and capabilities on entry and throughout their subsequent employability journey. Progression through the pipeline is linked to the development of their skills and advancement to higher SCQF levels through the achievement of the SQA accredited Falkirk Employability Award and subject to meeting the quality standards at each pipeline stage relating to attendance, timekeeping, behaviours, etc.

**Figure 3: Tools Developed to Deliver Pipeline**

Tool	No.	%
Directory of services	18	64
Referral proforma	18	64
Initial assessment tools	15	54
Tools to measure progress/distance travelled	11	39
Newsletter/email bulletin to keep staff up-to-date	9	32
Others	7	25

Source: TERU e-survey of LEPs

In addition, LEPs have also developed a range of **tools** to help them **manage their pipeline**.

- 17 have developed a client database (for either case management or monitoring purposes).
- 15 produce an annual or quarterly report to partners on pipeline delivery and/or outcomes.
- 7 have developed other management tools including conferences, networks and review processes.

### Feedback from LEPs with No Pipelines

Angus, East Dunbartonshire, East Lothian and South Ayrshire do not use pipeline approach. All, except Angus are currently developing pipelines or planning to do so shortly with ESF 2014-2020 being the main driver for this (although most noted that have been moving towards pipeline for number of years). In Angus, CPP restructuring has resulted in there being no LEP in place to drive forward the adoption of the pipeline approach.

The employability services being delivered, partners involved, target groups and processes in place (e.g. to planning, sourcing, monitoring employability services) do not appear to be systematically different in these LEPs than in those using the pipeline approach. However:

- In general, these are amongst the smaller LEPs, with only one having over £1 million of resources available for employability services in 2014/15.
- They appear to be slightly less likely than pipeline LEPs to have developed tools (such as monitoring systems, directory of services, etc.) to deliver and manage their employability services.



### Key Messages

1. 28 out of the 32 LEPs use the employability pipeline approach.
2. The main **rationales** for adopting the pipeline approach included to facilitate more effective partnership working, to make better use of collective resources, to align their approach with national employability policy and to access funding. The last of these is further demonstrated by the timelines with peaks in adoption in 2008 and 2011 – linked to the establishment of local Workforce Plus pilots and allocation of ESF 2007-2013 Priority 5 funds respectively.
3. All except one uses the standard **5-stage pipeline**. However:
  - Some LEPs flagged up that there are 3 slightly different pipeline models set out on the Employability in Scotland website, in the ESF 2014-2020 programme and Skills Development Scotland's Employability Fund. This might create confusion about how the pipeline should be structured.
  - Our analysis of the interventions provided within employability pipelines across Scotland found that there is a lack of consistency in where interventions are located – with many appearing in different stages in different pipelines.
4. A wide range of partners – including the local authority, SDS, DWP Jobcentre Plus, the local college and Third Sector Interface – are involved in the **design and management** of most employability pipelines. Whilst the strategic planning of the pipeline generally happens through the LEP, in some areas the local authority takes the lead role. A wide range of evidence is reviewed in planning pipeline provision – although in many areas this does not appear to be done in a systematic way.
5. Most LEPs also draw on a wide range of organisations to **deliver** their pipeline, with the third sector involved in 25 of the 28 pipelines.
6. In 2014/15, the **resources** committed to employability pipelines ranged from £500,000 to £10 million. The main funders of pipeline activities are local authorities, ESF, SDS's Employability Fund and the Big Lottery. 25 LEPs also receive some in-kind support for their pipeline.
7. Most LEPs use a combination of methods (including in-house delivery, procurement and commissioning) for **sourcing pipeline provision**. The approaches taken often reflect how services were delivered pre-pipeline – although in some areas the pipeline has enabled the LEP partners to step back and identify the approach that will deliver the greatest value for money. Where the adoption of the pipeline has led to a different approach (most commonly greater use of procurement), LEPs tend to feel that the new approach has helped improve their effectiveness.
8. Most LEPs had developed **tools** to help them deliver or manage their pipeline – with the most common being directories of services, referral proformas and client databases. The majority of LEPs with pipelines would welcome the development of **common tools** – but stressed that for these to be effective there would need to be buy-in from national partners to using them. In addition, most LEPs were clear that the use of these tools should be optional.

## 5. ANALYSIS OF EMPLOYABILITY PIPELINE OUTCOMES AND ADDED VALUE

### Introduction

This chapter outlines the findings from the e-survey and follow-up interviews with LEPs in relation to the monitoring systems in place (including the key outcomes measured), the perceived added value of the pipeline, the impact of the pipeline on the outcomes and value-for-money achieved by LEPs, areas for improvement and the key lessons LEPs felt they had learnt from their experience of establishing and managing their employability pipeline. It also examines whether LEPs feel there would be value in developing common tools for use across Scotland and the support that those LEPs that do not currently have a pipeline in place would value.

### Monitoring

All 28 LEPs using the pipeline approach undertook some monitoring of client characteristics, activities undertaken and outcomes achieved. However, the depth and breadth of data collected, the complexity of the systems used for monitoring and the extent to which monitoring data was used appeared to vary significantly across LEPs. In particular:

- Systems ranged from a simple Excel sheet to record details of each participant to highly complex SQL-based systems that allowed reports on different elements of provision or different types of client group to be generated.
- Some LEPs also use their monitoring or management information system as a case management tool. One challenge this can create is that it can lead to information being recorded in 'notes' (e.g. on services accessed or client needs) making it more difficult to analyse on a comprehensive basis.
- Many LEPs had purchased a system from contractor – with varying degrees of success. In some cases these were 'off-the-shelf' packages, whilst in other cases they had been developed specifically to meet the needs of the LEP.
- Many systems only capture ESF-funded and/or council provision.
  - There are few examples of national partners, colleges or others inputting data into pipeline monitoring systems. Whilst these organisations collect data on the services they fund and/or deliver, this will normally be fed into the LEP as a report rather than through the monitoring system. Many LEPs felt this was a serious limitation.
  - Some LEPs had made it a condition of funding (procured or commissioned) that monitoring data is provided, with many requiring that contractors input their data directly into the system.
- Few systems are able to track by pipeline stage – but a number of LEPs highlighted that they were building the functionality to do so into their monitoring systems in light of ESF 2014-2020 requirements.
- There is mixed evidence on how monitoring data is being used by LEPs.
  - Most use monitoring data to present updates to LEP (and/or council management). Most typically this relates to the number and characteristics of supported clients, activities delivered and outcomes achieved. There was very little evidence that data was looked at on a comparative basis (e.g. what works for whom).
  - There was much more limited evidence that pipeline provision is amended or adjusted in light of the monitoring data presented.

25 LEPs were able to identify the hard outcomes they measured in relation to their pipeline. The most common were:

- 22 measured the numbers entering employment. In addition, one measured 'positive outcomes' (which included those moving into employment alongside those entering training, education, Modern Apprenticeships or Employability Fund) and one measured those moving into 'employment or further training'.

- 14 measured the numbers entering training or education, with a further two including education and training as part of a composite 'positive outcomes' measure.
- 16 measured the numbers gaining qualifications.
- 16 measured the sustainability of employment outcomes and one measured the sustainability of 'positive outcomes'. In addition, one LEP measured the numbers progressing in employment. The most common time periods examined were 6 months (26 weeks) and 3 months (13 weeks) after leaving.
- 7 measured the numbers entering apprenticeships as a separate category (with others including these in the general employment outcomes or 'positive outcomes').

However, care must be taken in interpreting these findings as even where the pipeline does not collect data on an outcome, individual LEP partners or delivery organisations may collect it for their provision.

Only 2 indicated in the e-survey that their hard outcomes included high level indicators – such as the claimant count or School Leaver Destinations Returns (SLDR) for their local area. However, the follow-up interviews identified that many LEPs look at these data on a regular basis (often at each LEP meeting). The discrepancy here is that whilst most use this type of data to inform their pipeline approach, few include it within their outcome measurements as they can be influenced by a wide range of factors.

15 LEPs measure soft outcomes in relation to their pipeline. Increased confidence (measured by 10) and increased motivation (measured by 6) are the most commonly used soft outcome indicators.

### Added Value of Pipeline

LEPs were asked what they considered to be the main ways in which their pipeline adds value compared to their pre-pipeline delivery.

- The first point to note is that each option was selected by at least 64% of pipeline LEPs – suggesting that the pipeline is having both a widespread impact on employability services across Scotland and a wide range of impacts.
- The most common elements of 'added value' were less duplication of services (mentioned by 24 out of 28 LEPs with a pipeline), that it enabled them to offer a wider range of supports (22) and that it enabled them to offer more specialised support (22).
- Other elements of added value of the pipeline include that it has helped LEPs support those further from the labour market, helped them support more clients and helped them develop more person-centred services.
- 4 identified other ways in which the pipeline added value including greater clarity and accountability and a more focused approach.

**Figure 4: Added Value of Pipeline**

Added value	No.	%
Less duplication of services	24	86
Provide a wider range of supports	22	79
Provide more specialised support	22	79
Provide a better quality of service	20	71
Better able to support those furthest from labour market	20	71
Able to support more individuals	19	68
Able to develop more person-centred services	18	64
Others	4	14

Source: TERU e-survey of LEPs

The LEPs were then asked what it is about the pipeline that adds value compared to their pre-pipeline delivery.

- The most commonly mentioned factor was that it has enabled partners to identify gaps and duplication in provision – mentioned by 25 of the 28 LEPs with a pipeline.
- Other factors that were mentioned by more than 20 LEPs were that it brings partners together to plan and deliver services and that it has enabled more effective referrals.
- Other sources of added value include the pipeline has helped partners use resources more effectively than in past, place a greater focus on achieving outcomes and improve monitoring. All of these could be considered improvements in the underlying processes for managing employability services at a local level’.

**Figure 5: Source of Added Value of Pipeline**

Source of added value	No.	%
Has enabled partners to identify gaps and duplications	25	89
Brings partners together to plan and deliver services	23	82
Has enabled more effective referrals	23	82
Partners are able to use resources more effectively	18	64
Has lead to a greater focus on achieving outcomes	18	64
Has enable better monitoring – leading to improved performance	17	61
Has enabled partners to support clients with multiple disadvantages	16	57
Has enabled partners to support broader range of clients	13	46
Others	2	7

Source: TERU e-survey of LEPs

LEPs were asked to elaborate on what they saw as the added value of pipeline in the follow-up interviews. The key feedback was as follows.

- All felt that the pipeline approach was improvement on earlier approaches.
- The main benefit of the pipeline is that it acts as a **conceptual framework** that:
  - Enables LEPs to take a more strategic approach – giving them a framework against which to identify local needs and then working to match provision to this.
  - Encourages dialogue and understanding across partners.
  - Increases understanding amongst frontline staff of what services are available leading to more effective use of available resources and more appropriate referrals.
  - Encourages partners to identify where they are best placed to make a contribution, allowing them to focus their efforts more effectively. In particular, a number of LEPs felt that the pipeline had helped reduce the number of partners that were trying to deliver ‘everything’.
- Many LEPs have adopted a key worker or case manager approaches to manage customer journeys. Many consultees felt that this had led to a more person-centred approach.
- The pipeline allows LEPs to demonstrate progression of clients – to funders, partners and to the client themselves. This is particularly important for those clients that are further from the labour market and where the outcomes will take some time to come through. Some also felt that the greater openness and connectedness meant that ‘cherry picking’ of clients was less prevalent than in the past.

Many of the elements that have been identified as being sources of added value in Figure 5 relate to **collaboration**.

- Many LEPs felt that they already had good partnership working in place pre-pipeline – limiting the extent to which the pipeline could encourage greater collaboration.
- Factors that **support** collaboration include:
  - An openness to sharing information and learning from each other.
  - Networking events enabling partners to get to know each other.
  - Joint training events for staff of different partners/delivery organisations.
  - Funding applications which require partners to develop a joint approach. Similarly, LEPs find encouraging consortia bids during procurement exercises can lead to delivery partners working together.
  - Shared monitoring or management information systems.
  - Having a 'memorandum of understanding' to clarify the different roles and responsibilities of partners and how key processes (e.g. referrals) will be undertaken.
  - LEP sub-groups can be tasked with taking forward key
- Factors that **limit** collaboration include:
  - The different remits and responsibilities of partners, with the policy priorities of national organisations sometimes making it difficult to work collaboratively with them at the local level.

One LEP felt that working collaboratively on developing joint projects had helped develop the capacity of partners – as each have different skills and expertise.

As outlined above, 18 LEPs identified that the pipeline had enabled them to develop a more **person-centred approach**.

- Again, many felt that they already had a highly person-centred approach pre-pipeline.
- The main ways in which they felt the pipeline had helped them develop a more personalised approach was by:
  - Ensuring the appropriate services are in place to meet client needs.
  - Providing a framework against which to assess client needs and direct them towards the most appropriate support to meet these needs.
  - Giving frontline staff a clearer understanding of the provision that is in place – thus helping ensuring referrals between interventions/are more appropriate and effective.
  - The adoption of the pipeline has been accompanied in some areas by a greater focus on outcomes and measurement of progress against targets. This was felt to have lead to a greater focus on meeting clients' needs – as this is central to achieving sustainable results.
- One LEP had introduced a co-production approach, involving clients and providers in the design of the interventions. This had helped ensure that employability pipeline provision met client needs. They also felt that this added value because it helped in the development of appropriate targets. As the providers were involved in this process they had ownership of the targets and a better understanding of how these contributed to the overall pipeline.

### Impact of Pipeline on Outcomes and Value-for-Money Achieved

LEPs were asked whether their **outcomes** have changed since they introduced the pipeline.

- Outcomes have increased in 13 LEPs since introduction of their pipeline.
- Outcomes have stayed the same in 1 LEP.
- 8 LEPs said could not judge how outcomes changed as working with different type of client than pre-pipeline.
- 6 LEPs felt they did not have the information to be able to assess this.

Looking at the 13 that felt their outcomes have increased:

- 8 had also experienced an increase in resources since the pipeline has been introduced.
- 3 had the same resources available to them as before the pipeline was introduced.
- 1 had experienced an increase in outcomes despite a decrease in available resources.

In the follow-up interviews, LEP were asked to outline what elements of the pipeline had underpinned the improvement in their outcomes:

- Improved understanding of client needs.
- Greater collaboration between partners is improving the quality of services on offer.
- Greater focus on early intervention and the early stages of the pipeline – which underpins success for clients when they reach the later stages.
- In some cases, the adoption of the pipeline had led to more robust measurement of outcomes. This increased focus had helped drive up results.

Very few LEPs had any robust evidence on whether **value-for-money** had improved as a result of the adoption of the pipeline. However, most suspected that it had led to an improvement. The main reasons for this include:

- The pipeline has lead to clients being referred onto the most appropriate support – which is more cost-effective than referring onto support that does not meet their needs.
- Better systems in place to measure outcomes and value-for-money. As well as increasing focus on achieving good outcomes and improving value-for-money, this information helps feed into subsequent planning and procurement activities.
- Joint systems and processes helps reduce costs.
- If designed correctly, the pipeline should encourage providers to move clients through the pipeline rather than ‘hold onto them’. This leads to more cost-effective interventions (as individuals are not sitting on a service they have outgrown for long periods of time).

### Areas for Improvement

LEPs were asked to identify what would allow them to improve their pipeline so that it would add even more value. The most commonly raised issues were:

- Introducing or improving their monitoring system. In particular, many felt that there would be value in developing systems that can be used by all partners (with most capturing only local authority or ESF plus match funded provision). In particular, there was a need for systems to enable the contribution of national partners (such as SDS and DWP Jobcentre Plus) to be captured. However, there was recognition that this required greater information sharing between national agencies and LEPs.
- Increasing funding available for employability.
  - As well as increasing the funding available for delivering employability services, there was also a need for greater funding to facilitate the planning and management of the pipeline. This is a particular issue in relation to some of the smaller LEP areas where there is limited capacity to support the LEP.
  - There is a particular need for more funding to support those furthest from the labour market.
  - Many highlighted the need for more funding that is flexible – i.e has no restrictions or eligibility criteria.
- Devolving responsibly for national employability programmes and/or budgets (e.g. Scottish Government, DWP, SDS) to the local level. This would allow resources to be more effectively targeted to local priorities, reduce bureaucracy and simplify provision.
- Greater stability of funding.



- Longer-term funding would allow partners to plan and manage delivery more effectively.
- Many flagged up that the delays in ESF 2014-2020 had been damaging to employability provision in their area, with partners having to scale back provision until funds are released and ongoing uncertainties about the funding model making it difficult for LEPs to plan for the future.
- Many raised concerns about the use of *ad hoc* funding streams (such as Youth Employment Scotland Fund) – which often force LEPs to become responsive rather than strategic.
- Integrating other provision or activities within the pipeline include:
  - College provision.
  - The activities being developed in response to Developing Scotland's Young Workforce.
- An improvement in the labour market conditions – locally and nationally.
- Greater clarity and consistency in Scottish Government policy in relation to employability.
- Guidance from Scottish Government about pipeline approaches.
- The need for common assessment tools that can be used across partners.
- Some LEPs felt that they should revisit their target groups – with the potential to have a greater impact by focusing on a different client group (e.g. those aged 25 and over, disabled people, etc.).

In relation to the main challenges facing LEPs in maintaining or developing their pipeline, these were identified as:

- Developing strong partnership working (in areas where this is not already in place) or maintaining and developing partnerships further.
  - Many felt that there was much more that could be done to work in partnership. In particular, many LEPs appear to meet to share information and discuss emerging issues but employability services are designed and delivered separately. Many recognise that this is not really partnership working – but feel that the organisational structures and funding streams in place mean this is unlikely to change in the near future.
  - Staff turnover can mean that partners need to 'start again' in terms of building trust and relationships.
- Developing robust and effective monitoring systems.
- Improving referral processes and overcoming issues in relation to data protection.
- Lack of availability of resources for employability. In particular, reductions in local authority budgets can make it difficult to maintain expenditure levels.
- Changes to ESF funding – with particular concerns about:
  - The delays in the ESF 2014-2020 programme which have led to LEPs having to reduce provision while they wait for their allocation to be agreed.
  - The lack of clarity about the funding model to be used.
  - Identifying match funding – given reductions in other budgets.
- Responding to national structures and initiatives that are 'parachuted in'. A number of LEPs felt that this resulted in resources being used less effectively than if there was flexibility in how funds could be used.
- Concerns that meeting the priorities set out in *Developing the Young Workforce: Scotland's Youth Employment Strategy* will lead to duplication of efforts or a fragmentation of current approaches. A small number highlighted that this is already beginning to be observed with, for example, Regional Invest in Youth Groups operating separately to other employer engagement activities.
- Lack of local employment opportunities.
- The rural nature of their area and/or issues with transport infrastructure – making it difficult to deliver the pipeline effectively.



A number of LEPs also flagged up that the devolution of some welfare functions to the Scottish Government provided an important opportunity to revisit current approaches and develop a more cohesive approach to delivering employability across Scotland.

### Key Lessons and Advice

Pipeline LEPs were asked about the key **lessons** they had learnt and what **advice** they would give to other partnerships on pipeline design and management. The following advice was offered.

- Ensure that the LEP involves a wide range of partners.
- Ensure that the roles and responsibilities of each partner are clear.
- Focus on developing understanding and trust across partners – as this underpins all pipeline design, management and delivery.
- Agree across partners the priorities for the pipeline – including vision, goals, objective, target groups, activities to be delivered, etc. These should reflect the needs of the local area.
- Map provision to understand what services are currently available and identify gaps and duplication in provision. However, others felt that LEPs should start with a ‘blank canvas’ and develop a pipeline that reflects what services are needed rather than adapting current approach (as this can lead to current services being continued regardless of their appropriateness and/or effectiveness).
- Involve all partners to be involved in planning the customer journey. If one link between stages or relationship between partners does not function as intended then this can undermine the entire pipeline.
- Develop a robust monitoring or management information system, encourage all partners to use it and ensure that the data is fed back to the LEP to inform planning and development. This can:
  - Enable partners to understand more about who is being supported and the outcomes being achieved.
  - Help demonstrate the value of the employability services being delivered.
  - Be used for case management. In many cases, the monitoring system has been used as a tool to help key workers manage their case loads and in some it has been used as a tool for partners to access information on clients (reducing the need to ask for duplicate information).
- Develop common systems and processes for key functions such as assessment and referrals. One LEP highlighted the importance of involving frontline workers in the development of these processes.
  - Falkirk has developed a competence-based (SCQF) approach to assessing client’s needs, the support services needed and distance travelled. This had worked well for them and they recommended adopting this approach.
- Ensure all partners understand their role in the overall pipeline – as this can help improve referrals and partnership working and reduce completion. However, for this to be effective, it is important that other structures and processes support this. For example, if delivery organisations are paid for job outcomes they will not pass on clients to other organisations within the pipeline.
- Allocate dedicated resources for pipeline management.
- Undertake planning on an ongoing basis.
- Consider co-locating with partners – as this can help build trust and relationship and can improve service delivery for clients (as they do not need to visit multiple offices).
- Be realistic – for example, recognising that some services will cover more than one stage or that some clients will move backwards (e.g. from Stage 3 to Stage 2) and being flexible enough to respond to this.
- Be proportionate – recognising that the pipeline is a framework for understanding what you want to deliver and ensuring provision meets local needs. It does not need to be highly bureaucratic!
- Find time to visit other LEPs and learn from each other.

## Common Tools

The majority of LEPs would welcome development of **common tools**.

- Many flagged up that ESF provided definitions of client characteristics and outcomes – but that these are not the same as those used by other funders. There is scope to build on these to develop **common definitions**.
- The area where there is greatest demand for a common system is around **assessment of client needs** – and potentially around progress they are making (distance travelled).
- There is also some demand for a **common monitoring system**. The interest here reflects the challenges that LEPs have faced in developing a monitoring system that meets their needs rather than from the need for a common system *per se* (although developing a common system would mean that outcomes could be compared on a like-by-like basis). LEPs feel that by combining resources it should be possible to develop a more effective and cost-effectiveness system.

A key point to note here is that common tools are desirable to LEP as they would enable partners to work more effectively together **at the local level**. Another way to look at this is that the demand for common tools is not about different areas wanting to use the same tools as each other. Given this, there are a number of challenges in using common tools including:

- The extent to which LEPs will be able to use common tools will depend on whether they can be customised to meet local needs (for example, potential to add local priority groups to list of client characteristics). In relation to developing a common monitoring systems, many local authorities/CPPs have organisation-wide management information systems (such as Covalent) and any national LEP monitoring tool would need to be able to link to these.
- Some LEPs expressed doubts about whether national agencies would use common tools they had not developed based on their previous experience.

Overall, LEPs would like to be able to draw upon common tools if they meet their needs – but would not wish for them to be required to use them.

## Feedback from LEPs with No Pipelines

As outlined in the previous chapter, Angus, East Dunbartonshire, East Lothian and South Ayrshire do not use pipeline approach although East Dunbartonshire, East Lothian and South Ayrshire are all currently developing pipelines or planning to do so shortly. These LEPs would welcome advice on the following:

- The systems and processes needed to effectively manage their pipeline including:
  - Assessment tools.
  - Monitoring or management information systems.
  - Case management.
- Managing ESF funding effectively. This includes both ensuring they are meeting compliance requirements but also how best to proceed with procurement and challenge funding.
- Identifying other LEPs to learn lessons from and benchmark their performance against.

A number also expressed concerns that they ‘don’t know what they don’t know’ – so would welcome some facilitation support or ‘critical friends’ to help guide them through the process.

## Key Messages

1. All LEPs with pipelines undertook some **monitoring** of pipeline activities – but the data collected, the effectiveness of monitoring systems in place and the extent to which monitoring data is used to underpin the planning and delivery of the pipeline varied significantly. A key issue is that not all LEP partners input to the monitoring system. In

particular, national partners such as SDS and DWP tend to provide 'reports' to LEPs on delivery and outcomes rather than contributing to the pipeline monitoring system.

2. Not all LEPs monitor how many pipeline clients move into employment and a larger proportion do not measure the sustainability of employment outcomes – although individual LEP partners will capture this data for the services they deliver. This data is essential to developing an understanding of the effectiveness of the pipeline approach and it will be important to address this information gap going forward.
3. LEPs felt that the key ways in which the pipeline approach **adds value** were:
  - By reducing duplication of services.
  - By ensuring that a wider range of supports and more specialised supports are in place.
  - By improving the quality of service on offer.
  - By enabling partners to better support those furthest from the labour market.
  - By encouraging more person-centred approaches.
4. The pipeline approach enables LEP partners to deliver this added value by providing them with a **conceptual framework** against which to assess provision (including gaps and duplication) in relation to local needs, and then use this to plan and deliver services. The approach also encourages greater collaboration and joint working.
5. There is mixed evidence on the extent to which the pipeline has had an impact on the **outcomes** and **value-for-money** being achieved by LEPs. The perception is generally positive – but in many cases LEPs lack the evidence to demonstrate whether or not their outcomes and value-for-money are improving. Where outcomes and/or value-for-money are perceived to have improved, the key aspects of the pipeline that are thought to have underpinned this are improved understanding of client needs, greater collaboration between partners (including the development of common systems and processes), greater focus on early stages in pipeline and improved referrals.
6. LEPs identified a number of ways in which the pipeline approach could be **improved** further including:
  - Introducing or improving their monitoring systems, with a particular need to develop their ability to assess 'what works for whom', and to ensure the skills are available to manage the system and analyse data to inform decision making. To fully understand the impact and effectiveness of an employability pipeline and 'what works' within it, it is essential that the monitoring system captures the contribution of all LEP partners (including national partners such as SDS and DWP Jobcentre Plus). This will require greater information sharing between national agencies and LEPs.
  - Devolving responsibly for national employability programmes and/or budgets (e.g. Scottish Government, DWP, SDS) to the local level. Many LEPs felt that this would help clarify the resources available for employability in the area, ensure these resources are deployed to meet local needs and help facilitate partnership working across agencies.
  - Greater stability of funding – with the delays in allocating ESF 2014-2020 funding leading many LEPs to scale down pipeline activities during 2014/15.
  - Integrating other provision or activities within the pipeline. In particular, some highlighted the need to ensure that activities developed in response to *Developing the Young Workforce: Scotland's Youth Employment Strategy* were integrated with the pipeline.
  - More guidance from Scottish Government about pipeline approaches. In particular, there is a need for:
    - A single pipeline model.

- Clarity about how the pipeline should be used and how it should interact with other structures and processes (especially in light of devolution).
    - Support around monitoring.
  - The development of common assessment tools that can be used across partners and LEPs.
7. The main **challenges** facing LEPs in maintaining or developing their pipeline were identified as:
- Developing strong partnership working or maintaining and developing partnerships further.
  - Developing robust and effective monitoring systems.
  - Improving referral processes.
  - Lack of availability of resources for employability.
  - Responding to changes to ESF funding – with particular concerns about the delays in the ESF 2014-2020 programme, the lack of clarity about the funding model to be used and identifying match funding.
  - Responding to national structures and initiatives.
8. The key **lessons** identified by pipeline LEPs included:
- Ensuring that the LEP involves a wide range of partners and that the roles and responsibilities of each partner are clear.
  - Focusing on developing understanding and trust across partners – as this underpins all pipeline design, management and delivery.
  - Agreeing priorities for the pipeline.
  - Involving all partners to be involved in planning the customer journey.
  - Developing a robust monitoring or management information system, encouraging all partners to use it and ensuring that the data is fed back to the LEP to inform pipeline planning and development.
  - Developing common systems and processes for key functions such as assessment and referrals.
  - Allocating dedicated resources for pipeline management.
  - Considering co-locating with partners – as this can help build trust and relationship and improve service delivery.
  - Being realistic and proportionate – recognising that the pipeline is a framework for understanding and organising delivery.

## 5. KEY LESSONS FROM CASE STUDY PIPELINES

### Introduction

The final element of the research is a series of case studies of the employability pipeline approaches taken in 5 LEPs. These have been chosen to represent different pipeline structures, geographies, and other criteria. The findings from the case studies are anonymised.

For each case study, we have:

- Reviewed key documentations available on the pipelines – including any previous evaluation material.
- Undertaken interviews with the employability lead in the area, alongside other key individuals with perspectives on the design and delivery of the pipeline and the lessons that can be learnt from their pipeline experience.
- Collated monitoring data on the performance of the pipeline.

### Characteristics of Case Study Pipelines

The case study pipelines were selected to represent a range of different characteristics and experiences.

- **Geographic areas** – with a mix of urban and rural areas.
- **Delivery mechanisms** – whilst most used a combination of in-house and procured services, in one case study the majority of provision was delivered in-house and in another a challenge fund was used alongside in-house and procured provision. One case study had traditionally made significant use of external contractors but had scaled back in 2014/15 due to a lack of ESF funding.
- **Involvement of the third sector** – with organisations from the third sector playing a major role in the 3 of the case study pipelines.

Other characteristics include:

- All use a 5-stage pipeline.
- 3 are in areas of high unemployment. The other two have unemployment rates below the Scottish average but within these areas there are concentrations of unemployment within particular localities.
- All have been established for at least 3 years. 2 case studies were amongst the first LEP areas to adopt the pipeline approach in 2008.
- The LEPs in all 5 felt that their outcomes had improved since the introduction of the pipeline – suggesting there are lessons to be learnt from their experiences.

Figure 6 provides a summary of the case study characteristics.

Figure 6: Case Study Pipeline Characteristics

LEP	Case study A	Case study B	Case Study C	Case study D	Case study E
Date established	2008	2012	2011	2008	2012
5 stage pipeline	Yes	Yes	Yes	Yes	Yes
Type of geography	Urban (multiple conurbations)	City	Urban (multiple conurbations)	City	Rural
Claimant count (% of working age population), 2014	4.9%	2.3%	4.5%	4.1%	2.5%
Key management partners	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> <li>• College</li> <li>• NHS</li> <li>• TSI</li> <li>• Local employers</li> <li>• Chamber of Commerce</li> <li>• Residents</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• ALMO</li> <li>• SDS</li> <li>• DWP</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> <li>• College</li> <li>• NHS</li> <li>• TSI</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> <li>• College</li> <li>• NHS</li> <li>• TSI</li> </ul>
Key delivery partners	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• College</li> <li>• Third sector</li> <li>• Private providers training</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• ALMO</li> <li>• SDS</li> <li>• College</li> <li>• Third sector</li> <li>• Private providers training</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> <li>• College</li> <li>• Third sector</li> <li>• Private providers training</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• Third sector</li> <li>• Private providers training</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• SDS</li> <li>• DWP</li> <li>• Third sector</li> <li>• Private providers training</li> </ul>
Delivery model	Historically contracted provision – but scaled back in 2014/15 due to lack of ESF	Mix of in-house, contracted and challenge-fund provision	Mainly in-house provision	Mix of in-house and contracted provision	Mainly in-house provision

LEP	Case study A	Case study B	Case Study C	Case study D	Case study E
<b>Groups targeted</b>	<ul style="list-style-type: none"> <li>• Females</li> <li>• Aged 19 or under</li> <li>• Aged 20-24</li> <li>• Disabled people</li> <li>• LTU</li> </ul>	<ul style="list-style-type: none"> <li>• Females</li> <li>• Aged 19 or under</li> <li>• Aged 20-24</li> <li>• Disabled people</li> <li>• Lone parents</li> <li>• Adults with multiple barriers to progression</li> </ul>	<ul style="list-style-type: none"> <li>• Varies across partners</li> </ul>	<ul style="list-style-type: none"> <li>• Aged 19 or under</li> <li>• Aged 20-24</li> <li>• Disabled people</li> <li>• LTU</li> <li>• Lone parents</li> <li>• Workless families</li> <li>• Health problems</li> </ul>	<ul style="list-style-type: none"> <li>• Aged 19 or under</li> <li>• Aged 20-24</li> <li>• Disabled people</li> <li>• LTU</li> </ul>
<b>Developed tools</b>	Yes	Yes	Yes	Yes	Yes
<b>Change in outcomes since introduce pipeline</b>	Increased	Increased	Increased	Increased	Increased



## Monitoring Data

Each case study was asked to provide a range of data for the 2014/15 cohort (i.e. those joining the pipeline between 1 April 2014 and 31 March 2015). Data requested included:

- Key client characteristics – in terms of gender, age, status on joining pipeline (i.e. unemployed, inactive or employed), duration of unemployment/inactivity and the key barriers they faced to gaining employment. The barriers selected were chosen to align with the categories used by ESF 2014-2020.
- Number of barriers faced by clients.
- Referral sources.
- Registrations by pipeline stage.
- Support received by pipeline stage and number of progressions between pipeline stages.
- Where data is not available by pipeline stage, support received by intervention, including number of interventions received.
- Current status of those who registered on pipeline in 2014/15 including how this varies across different characteristics, number of barriers faced, referral organisations, intensity of support and initial pipeline stage accessed.
- Outcomes achieved by those who registered on pipeline in 2014/15 including how this varies across different characteristics, number of barriers faced, referral organisations, intensity of support and initial pipeline stage accessed. The outcomes were chosen to align with the categories used by ESF 2014-2020.
- The length of time to achieve a positive outcome - including how this varies across different characteristics, number of barriers faced, referral organisations, intensity of support and initial pipeline stage accessed.

No case study was able to provide all of this data – and only one was able to provide the vast majority of the requested data.

- All were able to provide data on **client characteristics** although the specific client characteristics that they were able to provide data on varied. In particular, the data on ‘barriers faced’ was extremely variable. There would be value in their being a common set of definitions here.
- Most were able to provide some data on **outcomes** but the data available varied considerably and not all were able to provide data for the 2014/15 cohort suggesting limited flexibility in MIS.
- Data on the **pipeline stages accessed**, the **time taken to progress to an outcome** were rare. In addition, only two case studies were able to provide any breakdowns of **outcome by characteristic**.

The limited and varied nature of the monitoring data provided means that it is not possible to analyse it with any degree of confidence as part of this chapter. However, the challenges we have experienced in trying to collate this data leads to a **key finding** from the research – that the MIS used by LEPs across Scotland to monitor pipeline delivery and outcomes need to be improved if they are to be able to provide robust data to inform decision making.

### Lesson Learnt from Case Study Pipelines

Looking across the 5 case study pipelines, a number of common themes emerge including the importance of:

- Involving a wide range of LEP partners. This helps ensure that there is widespread buy-in to the pipeline and that all (or as many as possible) services are incorporated into the pipeline. In particular, some consultees stressed the importance of involving mainstream services such as health or money advice.
- Creating structures and processes to develop and embed partnership working. For example, critical to the success of Case Study E pipeline is the Employability Provider and Practitioner Forum which allows operational staff to share information and good practice and develop strong working relationships.
- Continuing to work on improving partnership working. There were some examples of LEP partners pursuing initiatives or objectives without consulting the LEP or considering how they fit with the pipeline. The Employability Fund was highlighted by some as a good model for ensuring activities are integrated into the pipeline – with LEP partners involved in setting the Employability Fund requirements locally and in assessing proposals.
- Investing time in mapping services against the pipeline – as this will provide clarity for both strategic decision making and frontline workers trying to navigate the pipeline on behalf of their clients. One LEP partner in Case Study B highlighted that this “... *can take time to get it, but this is critical. The pipeline is more than a diagram. It is a change in culture and providers need to be supported and encouraged to see themselves as part of it.*”
- Focusing on the customer journey – as understanding this is essential to being able to identify the services needed (at a strategic level) and the needs of individual clients (at an operational level).
- Actively managing the pipeline – for example, reviewing contractor performance. However, this requires resources and it can be difficult to secure these – especially for the smaller pipelines.
- Having good quality, robust monitoring or management information systems and processes in place. These must capture data that allows partners to understand what works and make informed decisions about the provision needed. However, this requires not only a system for capturing monitoring data but also processes for analysing this data and utilising it to inform strategic planning and decision making. The monitoring system must help the LEP understand whether clients are progressing through the stages – and where the blockages are.
- Continuous improvement. Those LEPs which felt their pipelines were performing well recognised that they had not always got things right first (or second, or third, etc.) time but that they had had a culture of continuous improvement.

There are also a number of specific lessons that can be learnt from individual case study pipelines.

- **Case Study A** felt that a critical success factor was the ability to change the services quickly in response to either changing circumstances or contractor underperformance. However this requires having the right structures in place (for example a framework agreement) and good relationships with partners and contractors. They also felt having a clear priority – as they had in relation to tackling the very high levels of youth unemployment emerging as a result of the recession – helped galvanise the partnership.
- The LEP in **Case Study B** felt that they should have placed more emphasis in the early stages of adopting the pipeline in aligning with the wider Community Planning Partnership – making it clearer how the pipeline contributed to the Single Outcome Agreements. They feel that this would have increased the profile of the pipeline among services operating at a neighbourhood level and helped achieve buy-in at the

strategic level. Similarly, the LEP in **Case Study A** felt that the lack of a 'brand' had lessened the visibility and, therefore, the impact of their pipeline.

- The LEP in **Case Study C** felt that the focus on ensuring each individual receives support tailored to their needs was critical to their success. Linked to this, they felt that it was important that clients are not mandated to take part in their services and that a wide range of services are available from a single location (due to co-location) – as this helps reinforce the customer-focused nature of the service.
- In the last 18 months, the LEP in **Case Study D** has made a number of major changes to their pipeline – including procuring key services, introducing outcomes-based payments, introducing common referral documents and more rigorous evidence rules (e.g. in terms of demonstrating client characteristics or outcomes). These were introduced in light of the proposed changes to ESF and have had negative impacts on the effectiveness of their pipeline. Reflecting on their experience, the consultees from Case Study D suggest that LEPs:
  - Consider whether there is value in delivering Stage 1 and Stage 4 activities in-house. These are critical stages in the pipeline and delivering these in-house can give partners greater flexibility in how the service is delivered and greater control over performance.
  - Reflect on the potential impacts of awarding multiple contracts to individual organisations – especially when one contract has a 'gatekeeping' role (e.g. case management) for the pipeline. This can lead to perceptions that they are referring clients onto their other contracted services as opposed to other provision.
  - Assess potential changes to identify what impact they may have on staff morale and how they will influence the way they perceive the pipeline as working. This is important as the pipeline relies on trust, buy-in and good knowledge of working practices – if these break down the pipeline is unlikely to be effective.
- The key strength of **Case Study E** approach is the strength of relationships between partners. Whilst they attribute this in part to being a relatively small area (in terms of the number of staff and organisations working on employability) and the commitment everyone has to delivering good quality services for their clients, they have also put in place structures and processes to help embed these relationships. For example, the Employability Providers and Practitioners Forum has helped build strong relationships between staff at an operational level by giving them a forum for networking and sharing information. Another key lesson from Case Study E is that where there are few training providers or voluntary organisations in an area with the capacity to deliver employability services and/or the rural nature of the area makes it commercially unviable to deliver services on a contracted basis, the local authority may need to play a lead role in delivery.

### Key Messages

1. The case study pipelines were selected to represent a range of different geographies, characteristics and experiences. All case study LEPs:
  - Use a 5 stage pipeline.
  - Have been using the pipeline approach for at least 3 years.
  - Felt that their outcomes had improved since the introduction of the pipeline.
2. Case study LEPs were asked to provide a range of monitoring data for those clients registering between April 2014 and March 2015. Whilst all were able to provide some of the data requested:
  - There were some major gaps in the information available. Whilst the data available varied across case studies, the most common gaps were around progression between pipeline stages, 'what works for whom' (e.g. being able to provide analysis of outcomes by client characteristic or services accessed) and the sustainability of

outcomes.

- Some case studies were able to easily extract the data requested whilst others found it extremely difficult to pull this together. Linked to this, the level of skills and experience of staff also appeared to vary.

This reinforces the findings from the e-survey and review of previous research that suggest there is a significant need to develop more robust and effective MIS.

3. Key lessons that can be learnt from the case study pipeline's experiences include:

- Involve a wide range of partners and create structures and processes to develop and embed partnership working. Developing and maintaining strong partner relations will require continued efforts over the long-term.
- A common agenda (e.g. need to tackle an emerging issue) can help develop strong relationships between partners.
- Map services against the pipeline and ensure all partners involve what is involved at each stage in the pipeline and how they interact.
- It is important that pipeline activities are aligned with other local policies and have clear and consistency branding. These can help ensure visibility and use.
- Ensure all elements of the pipeline support and reinforce the person-centred approach.
- There may be value in keeping Stage 1 and Stage 4 activities in-house – as the overall performance of the pipeline is dependent on these two stages working effectively. In either case, it is vital that there are clear performance criteria and outcomes measures for these stages as the overall performance of the pipeline is dependent on these two stages working effectively.
- When sourcing provision, consideration should be given to whether organisations should be allowed to manage more than one element of the pipeline. In particular, if an outcome-based payment system is in operation, care must be taken in ensuring the case management role is not compromised by potential conflicts of interest if the organisation managing this is also a provider of other pipeline services.
- One potential model is for the local authority to take overall responsibility for delivering the pipeline – but this requires a strong commitment from the local authority in relation to resources.
- Pipelines in rural areas may not be able to access private or third sector providers (either because they do not exist or because the scale of provision is not sufficient to be commercially viable). In these areas, the local authority may have to play a key role in delivery.
- Actively manage the pipeline. This will require dedicated resources. The evidence from the case studies – and the e-survey and follow-up interviews – is that the extent to which resources are available varies across the LEPs. In particular, some have a particular gap in relation to having the resources and/or skills to effectively manage the monitoring or management information system.
- Put in place a good quality monitoring or management information system and processes to ensure the data is used to inform strategic decision making.
- Build in the capacity to change the services quickly in response to either changing circumstances or contractor underperformance.
- Develop a culture of continuous improvement.

## 6. VIEWS OF WIDER STAKEHOLDERS

### Introduction

The final element of the research was interviews with a range of key stakeholders with perspectives on the design and delivery of employability pipelines across Scotland. This included.

- **Scottish Government's Fair Work Directorate** which oversees employability policy at the national level.
- **Key funders** – namely the Scottish Government's European Funding Team, Skills Development Scotland (SDS), Department for Work and Pensions (DWP) and the Big Lottery.
- A small number of **third sector organisations** that play a major role in employability throughout Scotland (Barnardo's, Capability Scotland, Princes Trust Scotland and The Lennox Partnership). These organisations were selected by the Third Sector Employability Forum to reflect their views.

### Views of Wider Stakeholders

In general, stakeholders felt that the employability pipeline approach was an improvement on earlier approaches taken to delivering employability services across Scotland. They saw the **added value** of pipeline approach as being that it provides a **framework** for organising and delivering employability activities within a local area. In particular, the pipeline approach:

- Provides a framework for LEP partners to examine provision to establish if it meets local needs.
- Provides clarity by setting out the range of services available in area and roles of different partners.
- Provides a common language for partners. Whilst not all partners will engage in the pipeline in the same way, having a common language allows them to work together. For example, whilst DWP does not segment clients by pipeline stage in same way as other partners, they know and understand what other partners mean by 'Stage 2' or 'Stage 3' and therefore they are able to refer clients more effectively.
- Leads to focus on progressing clients and joining up services.
- Encourages partners to build relationships. For example, a LEP needs to develop a good relationship with DWP to understand profile of unemployed and get referrals and the pipeline helps facilitate this.
- Potentially leads to more disadvantaged groups being targeted – by encouraging the LEP to take a more strategic and holistic approach.
- Has lead to greater focus on removing barriers (Stage 2) and in-work support (Stage 5) than would otherwise have been case
- Has encouraged LEP partners to examine effectiveness more systematically.

Whilst the stakeholders were generally positive about the contribution of the pipeline approach, many identified **challenges** and downsides in relation to using the pipeline to plan and deliver employability services at a local level.

- A key issue for many is that in most areas not all provision sits within the pipeline. This means that the potential for the pipeline to reduce duplication is limited. A particular issue mentioned by some consultees was the challenges in ensuring that national programmes (such as Community Jobs Scotland) are brought into the pipeline.
- Lack of consistency across pipelines – with for example, services allocated to different stages in pipeline, different outcome measures, etc. For those that operate nationally – or even across 2 or 3 different localities – this makes the environment confusing.
- Some stakeholders expressed concerns that the pipeline leads to 'pigeon-holing' of clients (e.g. *'this client is at Stage 2 and therefore can/cannot do ...'*). Similarly,

some expressed concerns that there was too much focus on progressing clients through the pipeline stages in a sequential order.

- Activity still follows funding (although to lesser extent than pre-pipeline).
- Linked to this, the lack of a recognised performance management system to measure client progress can mean that activities at the early stages of the pipeline being insufficiently recognised (as these are more difficult to measure than outcomes such as job starts and qualifications achieved) and rewarded. This is a particular issue where external organisations have been procured or commissioned to deliver services at the early stages of the pipeline. Third sector organisations often play a key role in these early stages.
- More generally, many consultees highlighted the poor quality of MIS in operation within the pipelines, limiting the extent to which the effectiveness, outcomes and added value of the pipeline approach and the services within the pipeline could be assessed.
- Some felt that there are challenges in ensuring support is available within pipelines for most disadvantaged groups. Whilst the pipeline has arguably led to an increase in focus on more disadvantaged groups, there are 3 issues that continue here:
  - Where a LEP does not have significant resources at its disposal, the focus tends to be on providing generic services that meet the needs of as many clients as possible. This can lead to a situation where there are no specialised services and/or where the service in place does not meet the needs of more disadvantaged clients.
  - Where provision is highly fragmented across the pipeline, this can involve a large numbers of 'hand-overs' between services. This does not always work well for more disadvantaged groups, who tend to prefer working with one organisation over the longer term.
  - Some very disadvantaged clients are pre-pipeline and this can lead to them being overlooked.
  - Some felt that LEPs sometimes played 'lip service' to supporting more disadvantaged groups – identifying them as key target groups but providing limited services for them and/or making limited attempts to encourage them to enter the pipeline. The low levels of (for example) disabled clients within pipelines was cited as potential evidence for this.
- Risk that pipeline is increasingly seen less as a 'conceptual framework' to inform the design and delivery of employability services in a local area – and more as a payment model.

In relation to the specific challenges that third sector organisations face in participating in pipelines:

- The role and contribution of the third sector can vary across pipelines depending on structures in place in the local area and relationships the third sector organisation has with the LEP or individual partners. For example, some are contracted to deliver services through procurement, others are commissioned to run services on behalf of the LEP and others bring their own resources to the locality (which may or may not lead to them being perceived as full partners). Overall, they feel that there is a lack of clarity about what the pipeline approach 'is' and that this leads them to having to adopt different approaches in different places.
- Another key concern is that LEP partners (most notably local authorities) are able to determine what will be delivered in-house and what will be externally procured or commissioned. They feel that this often results in the LEP using in-house resources in circumstances when an external organisation would be better placed to deliver the service.
- A final issue raised was that where LEPs establish a 'challenge fund' as part of their ESF 2014-2020 approach, this will require organisations to bring 'match' funding to



the table. In many cases, this money simply does not exist meaning the third sector will potentially be unable to contribute to these pipelines.

The stakeholders also identified a number of areas where the pipeline approach could be **improved**. These include:

- Ensuring that all partners understand that the pipeline is a conceptual framework to help LEPs design and deliver the employability services needed at a local level and not a rigid tool (for example, for payment).
- Ensuring greater consistency in pipeline approaches taken across Scotland in terms of the activities delivered at each stage in the pipeline, how the pipelines are determined, managed and procured and the processes and tools in place. In particular, many consultees were supportive of the idea of developing common tools and definitions.
- Reducing the number of LEPs and pipelines by organising them by local labour markets rather than local authority boundaries.
- Greater consideration should be given to which organisation is best placed to deliver services within the pipeline.
- Ensuring that funding is available at each pipeline stage. Some stakeholders expressed concerns that there is little funding available for some stages of the pipeline.
- Improving the collection and usage of monitoring data – with a particular focus on ensuring this is done more consistently across pipelines and that measures are in place to measure client progress and outcomes.
- Scottish Government should consider carefully how new interventions (such as Community Jobs Scotland) fit into pipeline before launching and ensure this is shared with LEP partners.
- Ensuring disadvantaged client groups are supported by the pipelines.

Stakeholders also flagged up a small number of other issues that should be taken into consideration in the evaluation namely:

- Roll-out of Universal Credit will place increasing importance on Stage 5.
- Devolution of responsibilities to Scottish Government will create opportunities to align Work Programme and Work Choice provision more closely with pipelines.
- The Scottish Employability Forum has been tasked with identifying common definitions and tools.

### Key Messages

1. Overall, the stakeholders interviewed for this study felt that the employability pipeline approach was an improvement on earlier approaches.
2. Stakeholders described the **added value** of pipeline approach in the following terms.
  - Provides a framework for reviewing provision to ensure it meets local needs.
  - Provides clarity about what is available and roles of different partners.
  - Provides a common language for partners.
  - Leads to a focus on progressing clients and joining up services.
  - Encourages partners to build relationships.
  - Increases the focus on resources devoted to removing barriers (Stage 2) and providing in-work support (Stage 5).
  - Encourages LEP partners to examine effectiveness more systematically.
3. Potential **improvements** to the pipeline approach suggested by stakeholders included:
  - Standardising the pipeline approach across Scotland – to tackle the variations in structures and approaches.
  - Organising pipelines by local labour markets rather than local authority areas.
  - Requiring consideration be given to which organisation is best placed to deliver



services within the pipeline – rather than the local authority automatically delivering some services.

- Ensuring that appropriate funding is available at each pipeline stage.
- Developing common definitions and tools.
- Improving the monitoring of pipeline activities – with particular improvements needed to ensure monitoring is undertaken in a consistent way across pipeline and that client progress is measured in addition to outcomes.
- Ensuring the fit of additional national interventions to the pipeline approach is considered before they are launched.
- Ensuring that key priority groups (such as the disabled) are targeted through the pipeline – with a perception that some LEPs claim these as target groups but have limited services in place within their pipeline to support them.

## 7. KEY FINDINGS, LESSONS AND RECOMMENDATIONS

### Key Findings

#### *Review of Existing Evidence on Employability Pipelines*

1. Previous research has found that:
  - The employability pipeline approach has enabled local partnerships to develop a more strategic approach. In particular, pipelines can provide a focus:
    - For partnership working.
    - On improving outcomes.
    - On the client journey – leading to a more client-centred approach.
  - A strong monitoring or management information system (MIS) is essential to effectively tackling worklessness – but many partnerships have struggled to develop a system that works for them. Two major reports<sup>28</sup> published in the last 2 years have recommended the development of a shared MIS.

#### *Analysis of Employability Pipeline Design and Delivery*

2. 28 out of the 32 LEPs use the employability pipeline approach.
3. The main **rationales** for adopting the pipeline approach included to facilitate more effective partnership working, to make better use of collective resources, to align their approach with national employability policy and to access funding. The last of these is further demonstrated by the timelines with peaks in adoption in 2008 and 2011 – linked to the establishment of local Workforce Plus pilots and allocation of ESF 2007-2013 Priority 5 funds respectively.
4. All except one uses the standard **5-stage pipeline**. However:
  - Some LEPs flagged up that there are 3 slightly different pipeline models set out on the Employability in Scotland website, in the ESF 2014-2020 programme and Skills Development Scotland's Employability Fund. This might create confusion about how the pipeline should be structured.
  - Our analysis of the interventions provided within employability pipelines across Scotland found that there is a lack of consistency in where interventions are located – with many appearing in different stages in different pipelines.
5. A wide range of partners – including the local authority, SDS, DWP Jobcentre Plus, the local college and Third Sector Interface – are involved in the **design and management** of most employability pipelines. Whilst the strategic planning of the pipeline generally happens through the LEP, in some areas the local authority takes the lead role. A wide range of evidence is reviewed in planning pipeline provision – although in many areas this does not appear to be done in a systematic way.
6. Most LEPs also draw on a wide range of organisations to **deliver** their pipeline, with the third sector involved in 25 of the 28 pipelines.
7. In 2014/15, the **resources** committed to employability pipelines ranged from £500,000 to £10 million. The main funders of pipeline activities are local authorities, ESF, SDS's Employability Fund and the Big Lottery. 25 LEPs also receive some in-kind support for their pipeline.

<sup>28</sup> Hall Aitken (2013). *Review of CPP Management Information Systems Final Report* and Cambridge Policy Consultants (2015). *Review of the Allocation of Employability Resources in Scotland Final Report*.

8. Most LEPs use a combination of methods (including in-house delivery, procurement and commissioning) for **sourcing pipeline provision**. The approaches taken often reflect how services were delivered pre-pipeline – although in some areas the pipeline has enabled the LEP partners to step back and identify the approach that will deliver the greatest value for money. Where the adoption of the pipeline has led to a different approach (most commonly greater use of procurement), LEPs tend to feel that the new approach has helped improve their effectiveness.
9. Most LEPs had developed **tools** to help them deliver or manage their pipeline – with the most common being directories of services, referral proformas and client databases. The majority of LEPs with pipelines would welcome the development of **common tools** – but stressed that for these to be effective there would need to be buy-in from national partners to using them. In addition, most LEPs were clear that the use of these tools should be optional.

### ***Analysis of Employability Pipeline Outcomes and Added Value***

10. All LEPs with pipelines undertook some **monitoring** of pipeline activities – but the data collected, the effectiveness of monitoring systems in place and the extent to which monitoring data is used to underpin the planning and delivery of the pipeline activities varied significantly. A key issue is that not all LEP partners input to the monitoring system. In particular, national partners such as SDS and DWP tend to provide reports to LEPs on delivery and outcomes rather than contributing to the pipeline monitoring system.
11. Not all LEPs monitor how many pipeline clients move into employment and a larger proportion do not measure the sustainability of employment outcomes – although individual LEP partners will capture this data for the services they deliver. This data is essential to developing an understanding of the effectiveness of the pipeline approach and it will be important to address this information gap going forward.
12. LEPs felt that the key ways in which the pipeline approach **adds value** were:
  - By reducing duplication of services.
  - By ensuring that a wider range of supports and more specialised supports are in place.
  - By improving the quality of service on offer.
  - By enabling partners to better support those furthest from the labour market.
  - By encouraging more person-centred approaches.
13. The pipeline approach enables LEP partners to deliver this added value by providing them with a **conceptual framework** against which to assess provision (including gaps and duplication) in relation to local needs, and then use this to plan and deliver services. The approach also encourages greater collaboration and joint working.
14. There is mixed evidence on the extent to which the pipeline has had an impact on the **outcomes** and **value-for-money** being achieved by LEPs. The perception is generally positive – but in many cases LEPs lack the evidence to demonstrate whether or not their outcomes and value-for-money are improving. Where outcomes and/or value-for-money are perceived to have improved, the key aspects of the pipeline that are thought to have underpinned this are improved understanding of client needs, greater collaboration between partners (including the development of common systems and processes), greater focus on early stages in pipeline and improved referrals.
15. LEPs identified a number of ways in which the pipeline approach could be **improved** further including:

- Introducing or improving their monitoring systems, with a particular need to develop their ability to assess 'what works for whom', and to ensure the skills are available to manage the system and analyse data to inform decision making. To fully understand the impact and effectiveness of an employability pipeline and 'what works' within it, it is essential that the monitoring system captures the contribution of all LEP partners (including national partners such as SDS and DWP Jobcentre Plus). This will require greater information sharing between national agencies and LEPs.
- Devolving responsibly for national employability programmes and/or budgets (e.g. Scottish Government, DWP, SDS) to the local level. Many LEPs felt that this would help clarify the resources available for employability in the area, ensure these resources are deployed to meet local needs and help facilitate partnership working across agencies.
- Greater stability of funding – with the delays in allocating ESF 2014-2020 funding leading many LEPs to scale down pipeline activities during 2014/15.
- Integrating other provision or activities within the pipeline. In particular, some highlighted the need to ensure that activities developed in response to *Developing the Young Workforce: Scotland's Youth Employment Strategy* were integrated with the pipeline.
- More guidance from Scottish Government about pipeline approaches. In particular, there is a need for:
  - A single pipeline model.
  - Clarity about how the pipeline should be used and how it should interact with other structures and processes (especially in light of devolution).
  - Support around monitoring.
- The development of common assessment tools that can be used across partners and LEPs.

16. The main **challenges** facing LEPs in maintaining or developing their pipeline were identified as:

- Developing strong partnership working or maintaining and developing partnerships further.
- Developing robust and effective monitoring systems.
- Improving referral processes.
- Lack of availability of resources for employability.
- Responding to changes to ESF funding – with particular concerns about the delays in the ESF 2014-2020 programme, the lack of clarity about the funding model to be used and identifying match funding.
- Responding to national structures and initiatives.

### ***In-depth Case Study Pipelines***

17. The case study pipelines were selected to represent a range of different geographies, characteristics and experiences. All case study LEPs:

- Use a 5 stage pipeline.
- Have been using the pipeline approach for at least 3 years.
- Felt that their outcomes had improved since the introduction of the pipeline.

18. Case study LEPs were asked to provide a range of monitoring data for those clients registering between April 2014 and March 2015. Whilst all were able to provide some of the data requested:

- There were some major gaps in the information available. Whilst the data available varied across case studies, the most common gaps were around progression between pipeline stages, 'what works for whom' (e.g. being able to provide analysis of outcomes by client characteristic or services accessed) and the sustainability of outcomes.

- Some case studies were able to easily extract the data requested whilst others found it extremely difficult to pull this together. Linked to this, the level of skills and experience of staff also appeared to vary.

This reinforces the findings from the e-survey and review of previous research that suggest there is a significant need to develop more robust and effective MIS.

### **Views of Wider Stakeholders**

19. Overall, the stakeholders interviewed for this study felt that the employability pipeline approach was an improvement on earlier approaches.

20. Stakeholders described the added value of pipeline approach in the following terms.

- Provides a framework for reviewing provision to ensure it meets local needs.
- Provides clarity about what is available and roles of different partners.
- Provides a common language for partners.
- Leads to a focus on progressing clients and joining up services.
- Encourages partners to build relationships.
- Increases the focus on resources devoted to removing barriers (Stage 2) and providing in-work support (Stage 5).
- Encourages LEP partners to examine effectiveness more systematically.

21. Potential improvements to the pipeline approach suggested by stakeholders included:

- Standardising the pipeline approach across Scotland – to tackle the variations in structures and approaches.
- Organising pipelines by local labour markets rather than local authority areas.
- Requiring consideration be given to which organisation is best placed to deliver services within the pipeline – rather than the local authority automatically delivering some services.
- Ensuring that appropriate funding is available at each pipeline stage.
- Developing common definitions and tools.
- Improving the monitoring of pipeline activities – with particular improvements needed to ensure monitoring is undertaken in a consistent way across pipeline and that client progress is measured in addition to outcomes.
- Ensuring the fit of additional national interventions to the pipeline approach is considered before they are launched.
- Ensuring that key priority groups (such as the disabled) are targeted through the pipeline – with a perception that some LEPs claim these as target groups but have limited services in place within their pipeline to support them.

### **Key Lessons from Evaluation**

22. The employability pipeline approach is widely considered by LEPs and wider stakeholders to be a significant **improvement on earlier approaches**.

23. The elements that appear to underpin a successful pipelines are:

- **Strong partnership working.** This includes:
  - Ensuring that the LEP involves a wide range of partners and that the roles and responsibilities of each partner are clear.
  - Focusing on developing understanding and trust across partners – as this underpins all pipeline design, management and delivery.
- **A strategic** approach to managing the pipeline. Some of the pipelines reviewed were pipelines in name only – in that current provision had been mapped against the pipeline stages but the LEP had not used this to amend or adjust its approach further. Those LEPs that appeared to be most successful were those that had gone beyond this and used the pipeline to begin a process of examining their priorities, the services needed to achieve these and the best way of sourcing this provision.

However, as this is challenging work it requires strong partnerships in place and good quality evidence on the needs of the local areas and effectiveness of provision. In many cases, one or both of these is lacking – making it unrealistic that this kind of strategic approach can be undertaken effectively.

- **Common systems and processes.** Most consultees said they would welcome the development of common tools that they could utilise at a local level for key functions such as assessment and referrals. However, for these to be successful there would need to be buy-in from national organisations (such as DWP and SDS) to also use these. This would also facilitate more effective data sharing between national organisations (such as DWP and SDS) and LEPs.
- **Robust monitoring or management information systems.** To be effective these must be:
  - Used by all partners, including national agencies.
  - Designed to measure client progress in addition to outcomes.
  - Capable of assessing cost effectiveness. This requires data on resources dedicated to the pipeline (both monetary and staff time) to be captured.
  - Analysed on a regular basis by the LEP to inform the pipeline planning and development.

Without this, it is difficult to understand what works for whom – or to plan future delivery. Nearly all pipeline LEPs have monitoring or management systems in place – but many felt these were not fully meeting their needs either because the underlying system is ineffective and/or because the LEP lacks the staff time or expertise to manage the system and analyse data.

- **Dedicated resources for pipeline management.** Pipelines are complex systems involving a range of partners, services and clients. It is unrealistic to think that they will ‘manage themselves’ and yet in many cases no dedicated resources have been deployed to manage them. In particular, many noted gaps in relation to managing the monitoring or management information system.
- **Capacity to change the services quickly** in response to either changing circumstances or contractor underperformance.
- **A culture of continuous improvement.** LEPs that are committed to reviewing the content of the pipeline and the processes and systems used to deliver it (including the approach to sourcing provision) are able to adjust their approach in response to evidence on ‘what works’ and changing client needs, economic circumstances and/or policy priorities.

24. Whilst we have examined a range of other elements of the pipeline approach – such as the different methods of sourcing provision (e.g. in-house, procured or commissioned) or the role played by the third sector in different pipelines – there do not appear to be any clear relationships between the different approaches taken and the success of the pipeline. However, a lack of data has inhibited our ability to assess whether different models are having differential impacts on outcomes. Improving the availability of data must be a priority going forward.

## Recommendations

1. In undertaking this research, we faced significant challenges in accessing robust data on expenditure, numbers of clients supported and outcomes achieved. Too many MIS were incapable of generating very simple management information. There is a need to develop **more robust MIS** within the pipelines. The development of an effective MIS for an employability pipeline is not a greatly complex process. In addition, it is unclear why there should be so many different systems in place. There would be value in Scottish Government developing a ‘**model**’ MIS in partnership with SLAED. Those LEPs that do not already have a good quality MIS system in place would then be able to utilise this – either by adopting the model MIS or use it as a starting point to develop a customised system. Those LEPs that already have a system in place should be encouraged to

benchmark it against the model MIS to see whether there are any improvements that could be made to their system, or whether it would make more sense for them to adopt the model system.

2. In designing the model MIS, a number of principles should be observed.
  - A good quality MIS must enable the LEP to make key management decisions. This will require:
    - The following **client data** – characteristics, issues and needs, pipeline stage at registration, services received, progression between stages, outcomes achieved and sustainability of outcomes. To be able to assess ‘what works for whom’, it must be possible to **cross-reference** data (for example, analyse outcomes by client characteristic, stage entered pipeline, services received, etc.).
    - Data on **service inputs**. These are essential to enable **effectiveness** and **cost effectiveness** to be measured. As LEPs use a range of different approaches to sourcing pipeline provision (including in-house delivery, procurement and commissioning services), it is important for comparative purposes that all inputs are captured (e.g. staff time).
    - Analysis of progression between pipeline stages to be assessed. Understanding **progression and distance travelled** along the pipeline is important to help understand the ‘customer journey’ and to help demonstrate progress for those clients that have not yet achieved an employment outcome. Having **robust measures of client progress** within and particularly between pipeline stages are particularly important for understanding, valuing and rewarding the contribution of those partners that deliver services at the early stage of the pipeline (with the third sector often playing a key role in these stages).
    - Comparisons of different pipeline models and the impact of any changes to pipeline model to be assessed. At the moment, very little data is available that allows the **added value** of the pipeline approach to be identified.
    - A **commitment** across all partners (including national agencies such as SDS and DWP Jobcentre Plus) **to contribute data** on their pipeline provision.
    - Organise the data in a way that enables it to be **extracted and analysed easily**.
  - The MIS should be a useful and effective delivery tool – for example, be able to generate referrals, share information between partners, generate invoices, etc.
3. Having a good quality and robust MIS system in place is the key first step in improving the quality of the data available for decision-making. However, this research has also found that MIS is not being effectively utilised due to **insufficient staff expertise in data management and analysis**. Scottish Government and SLAED should work to identify potential solutions to this issue. These could include:
  - Establishing a training programme for MIS staff to improve skills and expertise in this critical area.
  - Exploring the feasibility of establishing a pool of MIS staff that could be drawn upon by LEPs that do not have any dedicated MIS staff.
4. Developing the model MIS has the potential to generate major **economies of scale** in terms of the:
  - Development and upgrading the system over time.
  - Training to develop, upgrade and maintain staff skills to get the most out of the system.

Given the pressure on resources, these economies of scale will help ensure best value in spend on MIS.
5. The employability pipeline models set out on the Employability in Scotland website, in the ESF 2014-2020 Operational Programme and in the SDS Employability Fund rules are all



slightly different. Whilst the variations in the models are relatively minor, these differences can lead to some confusion about which of the models should be adopted. It would be useful if Scottish Government, SDS and SLAED could **agree a common pipeline model** and issue guidance to LEPs and others on the agreed model. As part of this process, there could be a revisiting the allocation of services across stages agreed as part of the Better Alignment of Scotland's Employability Services (BASES) process.

6. Given the interest amongst LEPs in **common tools**, SLAED and Scottish Government should work together to develop those tools that were most frequently requested including:
  - A set of **common definitions** of client characteristics and outcomes. To be effective, major funders will need to agree to use these for their programmes and services.
  - Tools to **assess client needs and progress**. This will help improve efficiency and partnership working by providing a standardised approach to capturing key client information. Again, the success of this approach is more likely if major funders are involved in the development of the common assessment tools and agree to use them across their services.

## APPENDIX 1: OVERVIEW OF PIPELINE MODELS

Figure A1: Overview of Pipelines Models

	Employability in Scotland website <sup>29</sup>	ESF 2014-2020 <sup>30</sup>	Skills Development Scotland Employability Fund <sup>31</sup>
Name	Employability Pipeline	Employability Pipeline approach	Strategic Skills Pipeline
<b>Stage 1</b>	<b>Referral, engagement and assessment</b>  Client status: Not job ready  Examples of activities <ul style="list-style-type: none"> <li>• Outreach Activities</li> <li>• Self-Referral</li> <li>• Identification and Assessment of Needs</li> <li>• Development of Personalised Action Plan</li> </ul>	<b>Engagement/case management</b> <ul style="list-style-type: none"> <li>• Initial local engagement</li> <li>• Intensive action planning and case management</li> </ul>	-
<b>Stage 2</b>	<b>Needs assessment and barrier removal</b>  Client status: Not job ready  Example of Activities <ul style="list-style-type: none"> <li>• Confidence Building</li> <li>• Vocational Rehabilitation</li> <li>• Careers Information Advice and Guidance</li> <li>• Financial Advice and Support</li> <li>• Improving Health and Wellbeing</li> <li>• Peer Support &amp; Mentoring</li> </ul>	<b>Overcoming barriers</b> <ul style="list-style-type: none"> <li>• Childcare advice and access to childcare fund</li> <li>• Financial capability training and debt support</li> <li>• Condition management (support for those with health related barriers)</li> </ul>	Nature of content expected: Provision should create a foundation upon which individuals can build their employability skills, personal development and core skills.

<sup>29</sup> <http://www.employabilityinscotland.com/employability-pipeline/the-employability-pipeline/>

<sup>30</sup> Scottish Government (2015). *ESF Operational Programme 2014-2020*. <http://www.gov.scot/Resource/0046/00467310.pdf>

<sup>31</sup> Skills Development Scotland (2015). *Employability Fund Rules For public funding of Employability Fund Activity 2015/16*. [https://www.skillsdevelopmentscotland.co.uk/media/1337317/employability\\_fund\\_activity\\_rules\\_2015-16.pdf](https://www.skillsdevelopmentscotland.co.uk/media/1337317/employability_fund_activity_rules_2015-16.pdf)

	Employability in Scotland website <sup>29</sup>	ESF 2014-2020 <sup>30</sup>	Skills Development Scotland Employability Fund <sup>31</sup>
	<p>Example of Programmes</p> <ul style="list-style-type: none"> <li>• Activity Agreements</li> <li>• Community-Based Learning</li> <li>• Core Skills/ Adult Literacies</li> <li>• ESOL</li> <li>• SDS Individual Learning Accounts</li> <li>• Employability Fund</li> <li>• Work Programme</li> </ul>		
<b>Stage 3</b>	<p><b>Vocational activity</b></p> <p>Client status: Job ready</p> <p>Examples of Activities</p> <ul style="list-style-type: none"> <li>• Employability Skills Development</li> <li>• Vocational Training</li> <li>• Work Experience</li> <li>• Volunteering</li> <li>• Self-Employment and Enterprise Support</li> </ul> <p>Examples of Programmes</p> <ul style="list-style-type: none"> <li>• Certificate of Work Readiness</li> <li>• Employability Fund</li> <li>• SDS Individual Learning Accounts</li> <li>• Adopt an Intern</li> <li>• Community Jobs Scotland</li> <li>• Work Programme</li> <li>• Work Choice</li> </ul>	<p><b>Work/institutional learning focused training</b></p> <ul style="list-style-type: none"> <li>• Vocational training, developing core skills, supported volunteering, job search advice, job tasters and work experience</li> <li>• Accredited pre-employment training for core skills</li> <li>• Vocational training specific to the key sectors and other high participation/enabling sectors.</li> <li>• Industry specific qualifications (non-statutory)</li> </ul>	<p>Nature of content expected:</p> <p>Provision should support individuals in preparing for and sustaining employment, including entry to Modern Apprenticeships.</p>
<b>Stage 4</b>	<p><b>Employer engagement and job matching</b></p> <p>Client status: Job ready</p> <p>Examples of Activities</p> <ul style="list-style-type: none"> <li>• Careers Information Advice and Guidance</li> </ul>	<p><b>Progression preparation – developing skills to source, apply for and secure labour market entry or routes to further development</b></p> <p><b>Employer engagement and Job Matching</b></p> <ul style="list-style-type: none"> <li>• Limited pre-employment support for job ready individuals to move directly</li> </ul>	<p>Nature of content expected:</p> <p>SDS approved industry specific provision should directly enable individuals to access sustained employment.</p>

	Employability in Scotland website <sup>29</sup>	ESF 2014-2020 <sup>30</sup>	Skills Development Scotland Employability Fund <sup>31</sup>
	<ul style="list-style-type: none"> <li>• Employer Engagement</li> <li>• Job Search Support</li> <li>• Job Matching and Brokering</li> <li>• Self-Employment and Enterprise Support</li> </ul> <p>Examples of Programmes</p> <ul style="list-style-type: none"> <li>• Employability Fund</li> <li>• Community Jobs Scotland</li> <li>• Youth Employment Scotland Fund</li> <li>• Creative Internships</li> <li>• Job Clubs</li> <li>• SDS Individual Learning Accounts</li> <li>• Targeted Employer Recruitment Incentive</li> <li>• Graduate Recruitment Incentive</li> <li>• Universal Jobmatch</li> <li>• Work Programme</li> </ul>	<p>into employment</p> <ul style="list-style-type: none"> <li>• Employment engagement / matching including short placements into jobs</li> <li>• Training, mentoring and supporting men and women who want to enter occupations or sectors where their gender is under-represented, in order to tackle gender segregation and the pay gap</li> <li>• Developing support for employees and employers to help employee retention and progression in due course, including supported employment and training</li> <li>• Activities enabling disadvantaged young people and adult to enter apprenticeships</li> </ul>	
<b>Stage 5</b>	<p><b>In work support and aftercare</b></p> <p>Client status: In work</p> <p>Examples of Activities</p> <ul style="list-style-type: none"> <li>• Careers Information Advice and Guidance</li> <li>• Supported Employment</li> <li>• Occupational Health and Wellbeing Support</li> <li>• Vocational Rehabilitation</li> <li>• Skills Development</li> <li>• Redundancy Support</li> <li>• Self-Employment and Enterprise Support</li> </ul> <p>Examples of Programmes</p> <ul style="list-style-type: none"> <li>• Modern Apprenticeships</li> <li>• DWP Wage Incentives</li> </ul>	<p><b>In work aftercare</b></p> <ul style="list-style-type: none"> <li>• Actions to encourage and support the development of vocational skills among low-skilled and low-waged individuals, including training</li> <li>• Actions to support the development of vocational and core skills among specific groups</li> <li>• Actions to provide training for those wishing to start up or manage a business, particularly from groups under-represented at managerial levels such as women or individuals from ethnic minority backgrounds</li> <li>• Training to provide entrepreneurial, business planning, financial, marketing, and for those starting up new companies or in self-employment and key managers in new and existing SMEs, third sector</li> </ul>	-

	<b>Employability in Scotland website<sup>29</sup></b>	<b>ESF 2014-2020<sup>30</sup></b>	<b>Skills Development Scotland Employability Fund<sup>31</sup></b>
	<ul style="list-style-type: none"> <li>• Flexible Training Opportunities</li> <li>• SDS Individual Learning Accounts</li> <li>• New Enterprise Allowance</li> <li>• Work Programme</li> </ul>	<p>organisations and social enterprises</p> <ul style="list-style-type: none"> <li>• High level business and management skills required by workers in social enterprises and co-operatives to improve the sustainability of their organisations</li> </ul>	